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28 January 1985

## NEAR EAST/SOUTH ASIA REPORT

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PLANS FOR NEW PURGES, 'RUSSIANIZATION' IN SOVIET ARMENIA

Tehran ALIK in Armenian 8 Dec 84 p 3

[Article, published under the heading "Soviet Armenia on Trial", by A. Avetikian: "A New Attempt to Overfulfill the Russianization 'Plan'? A New CPSU Central Committee Decision"]

[Text] A person who is well acquainted with internal policies in the Soviet Union would not be greatly surprised upon reading the latest wire service report, entitled "Attempt Once Again to Manipulate Soviet Armenia." Every well-informed person, especially regarding Andropov internal policies, would not be surprised at reading the PRAVDA "statement." Soviet Armenia was once again the target of a Kremlin emissary, and once again accusations were leveled against Armenian Communist leaders.

In addition to accusations of bribery, cronyism, absenteeism, arousing of national feelings, and unsatisfactory ideological indoctrination, the long list of accusations also included the language question: "In Armenia the teaching of Russian is unsatisfactory" (and of course the guilty parties will be called to account), announced the CPSU Central Committee.

One might ask if the Soviet leaders have forgotten that Soviet Armenia was one of those Soviet national republics which had paid their heavy tribute and were still paying as regards Russian and its spread. Were they unaware of the following? In 1950 there were a total of 7-8 Russian schools throughout Armenia, enrolling not more than 10 percent of the total number of Armenian schoolchildren, while 30 years later, in 1980, 70 of the 100 music schools in Armenia were Russian-language, and in Yerevan there were 150 Armenian schools, as compared with 30 Russian schools, the latter attended by 36,000 Armenian schoolchildren, compared to the 120,000 attending Armenian schools, that is, there were more Armenian than non-Armenian children enrolled in these schools....

Were the Soviet leaders unaware of the ruthless efforts (and successful at that) by their followers to bring forth distinct differences between Russian and Armenian schools? Yes, it is sad but true that the Russian schools in Armenia are more convenient of location and more modern; the level of instruction is much higher, and a graduate of a Russian school can continue his or her education at higher educational institutions more easily,

especially since Russian is encouraged by the government and represents an entree vehicle. One of our Soviet Armenian intellectuals also (and unfortunately) attests to this fact: "In some third or fourth-category establishments, a person not knowing Russian will not be hired even as a secretary, while the practical realities in this republic indicate that a person may not know Armenian and still serve as deputy minister of education, and a person who has the barest notion of Armenian culture, writing and literature may hold the highest office as the person in charge of administering this culture and learned activities...."

Do those same members of the Central Committee not remember that their predecessors, over the last several decades, were closing approximately 200 Armenian schools and about 20 newspapers on the territory of Soviet Russia, schools and newspapers which had been permitted and maintained ever since Sovietization? And much later, that they issued a special ukase (bearing the signature of the late Kosygin), ordering the obligatory teaching of Russian at all educational institutions in the republics, from kindergarten to university-level, while on the other hand they were simultaneously attacking Russian-language assimilationism and the use of Russian at all government, public and cultural establishments and organizations?

Finally, do the Kremlin leaders not know that national awareness and the national striving toward self-preservation are much broader and are manifested much more prominently in Azerbaijan, even more so in Georgia, and particularly in Russia itself and among the Russian people?

The Communist Party leaders know this full well. And yet they are "surprised" at the Communist Party of Armenia being concerned and adopting the decision to make every effort to improve teaching of the Armenian language in Armenian schools. And they are surprised at why one Hovhannes Baghdasarian is compelled to reassess his native language in GRAKAN TERT: "Language is the history of a given people, their incalculable national wealth. Its safekeeping, preservation and enrichment should become an object of our concern." And they are surprised that somebody else, at a Communist Party meeting in Yerevan, in reference to the Armenian language, states: "Language is the mortar which replaces our territorial integrity, a kind of material strength, a means by which the past fragmented centuries are held together, by means of which distances which separate the people are filled in and become bridged. Language to us always has been, and today even more so is land, a roof, a collective memory, a means of being, a basis for existence."

The fact is that according to the Kremlin leaders, nations are temporary in nature and ultimately will disappear when communism becomes reality throughout the world: after all, one day soon a single "Soviet people" will develop to such an extent that all languages will wither away, yielding to today's second language and to tomorrow's native language, to Russian....

Unsatisfactory teaching of Russian is in actuality a myth: on the contrary, the mandatory teaching of Russian has gone far beyond the bounds of what is logical and tolerable.

We are familiar with the game being played by the Soviet central authorities. The repeated slander on their part is part of the current tactics of the Communist leaders: it is to apply constant pressure to non-Russian Soviet subjects and gradually to paralyze their will to resist as a cohesive national and nationally-conscious group.

On the one hand they attempt by means of charges and accusations to institute new purges and to make alterations in Soviet Armenia's political administration, while on the other hand they endeavor to take another step forward on the road toward overfulfillment of the "plan" of Russianization.

During the years of the "cult of personality," Stalin's attempts to deprive our people of their past and to separate them from their history ended in failure. We hope that the endeavors on the part of apologists of the policy of the Chernenkos will also suffer failure.

8817  
CSO: 4605/53

MAYU REPLIES TO OPPOSITION WITH VEILED WARNING

Cairo MAYU in Arabic 29 Oct 84 p 9

[Editorial by 'Abd-al-Fattah al-Dib: "Scenes"]

/Text/ Attacking MAYU newspaper has become a staple of the opposition party newspapers and assailing the editor in chief of MAYU has become news dear to the hearts of those who run these newspapers. They blacken the pages of their newspapers week after week and preoccupy their readers as though they were discussing a daily problem of the people.

In 1 week, last week for example, AL-SAH'B, AL-AHALI and AL-WAFD newspapers came out with such attacks for their readers, bringing them glad tidings from their editors in chief and dispensing insults to MAYU, its editor in chief and its employees and outdoing each other in verbal abuse that demonstrates an outstanding journalistic skill enjoyed by those responsible for usch attacks.

If we were to discuss this matter logically and consider things objectively, as MAYU always does, those abusive assailants are not in the least concerned about MAYU's interest nor, of course, are they responsible for publishing it in a form that pleases them. Moreover, they are not responsible for the themes addressed to MAYU's readers who are many, thank God.

If this is the case, what then is the reason for such strange persistence in bringing up the matter of MAYU and its editor in chief in their newspapers as though it was an issue of great concern to them to be pursued with "studies" and research?

The only way this strange persistence in this systematic campaign can be explained is that MAYU newspaper and its editor in chief do not please the officials of the opposition party press, something over which we do not disagree, though we do disagree over the reasons why.

MAYU does not please them because it performs an important mission amid this great awakening in democratic practice because it tries to mirror in its pages the political and partisan activities taking place in our land these days; because it stands up with honor, sincerity and candor to anyone who attempts to blot out the facts before the people or block the democratic march which is building Egypt's future; and because it tears the mask off those faces desiring to infiltrate for the purpose of destruction and ruin.

MAYU's editor in chief and employees do not please them because they are committed to their party and their country's causes and work selflessly and voluntarily with modest material capabilities. Perhaps those slanderers realize that MAYU's employees, from the lowest editor up to the chief editor, perform a mission, not just practice a profession; they give to their country and do not look for illicit gains.

MAYU and its employees do not please them; so be it. This is logical and expected. It is certain proof of MAYU's success in the Egyptian street, serving as a breakwater for deception and an insurmountable barrier before the campaigns of provocation and misgivings.

It is illogical, however, and perhaps those slanderers agree with us, that MAYU, its editor in chief and its employees should be assessed by those people in particular, preoccupying their readers with the MAYU issue week after week, as though it was a great problem of the masses.

We are well aware of where these vicious campaigns are being hatched and who stands behind them. Let those responsible for their parties' newspapers concern themselves with their own newspapers' affairs, developing them any way they want and replacing editors in chief and employees any way they desire.

This will serve them much better than this dangerous game.

12502  
CSO: 4504/95

## MAYU VIEWS OPTIMISTICALLY REORGANIZATION OF NDP POLITBURO

Cairo MAYU in Arabic 29 Oct 84 p 16

/Editorial by Mahmud 'Abd-al-Mun'im Murad: "Morning Talk"/

/Text/ The announcement of the NDP's politburo reorganization was not merely a matter of changing names and replacing people and must not be understood as such, but rather as a first step for rebuilding the party. The process of choosing its leaders, formations and cadres, and of sifting out its members who are scattered all over the country is a momentous undertaking by this great party in the wake of the test it was put through during the recent elections. This step will be followed by other steps aimed at turning the party into an active and efficacious living being so that it may be the driving force behind national action on the political, economic and social levels in order to fulfill the people's interests and to reach the best solutions for the problems facing them.

The party's general secretariat and its special and subsecretariats as well will be reorganized and, the series of changes will go all the way down to the bases. Sound democratic life dictates that the party, any party, have the upper hand in formulating policies and overseeing their implementation. It is high time that our parties, foremost the majority party, evolved from a grouping of a number of persons, large or small as the case may be, into an integral /pillar/ vibrant with life and vigor just like the human body which is composed of millions of cells, all working together in harmony, order, solidarity and unison, and always revitalized by new blood and able to assume the responsibilities entrusted to them.

Parties, as well they should be, are institutions that adopt clear policies and orientations that satisfy the people who, once satisfied, join them, not to achieve personal self-interest, but rather to realize general national interests affecting the whole country. Every member must realize that he is a part of a whole seeking to achieve general goals through an executive authority that transforms thoughts into deeds and goals into tangible accomplishments.

Parties are the proper face of democracy which sets it apart from the authoritarian system represented in the dominion of one single party or one single individual. They must exercise democracy from within, debating general issues freely, sincerely and courageously, then abiding by the decision of the

majority. Dialogue and debate within the parties are required and necessary and are not incompatible with each member's commitment to any resulting opinion approved by the majority.

The NDP's orientation is perfectly clear in the foreign and domestic fields and is no longer subject to doubt. In the foreign field, the recent accomplishments of the party and its government can neither be denied nor protested by anyone save for a small clique of self-serving individuals who oppose for the sake of opposition and don the apparel of heroism as though heroics is to say no to every step the government takes, even if it were the very step advocated by the opposition itself. There is no better proof of this than the voices we are hearing nowadays casting doubt on the restoration of diplomatic relations between Egypt and Jordan or the between-the-line criticisms and innuendos about Egyptian-Sudanese integration. Such opposition a few months ago revolved around the necessity of Egypt returning to the Arabs, or the Arabs returning to Egypt, while another group let out a cry every time it talked about the necessity to follow a nonaligned policy. Then it was suddenly discovered that Egypt, which was accused of taking sides, was playing a prominent role in breathing life into the positive neutrality camp, restoring its relations with the USSR, receiving delegations from all over the world, East and West, and extending its hand to any country that wishes to cooperate with it on the basis of respecting its will and not interfering in its personal affairs. We are not dealing with everyone on an equal footing and are gaining international respect and assuming our proper place in the international family.

Domestically, there is no doubt that we are following a new policy towards building bridges between the ruling party and the opposition parties and are opening the door to every opinion and thought, adopting those we deem appropriate, regardless of the source. We welcome dialogue and debate for the purpose of fulfilling the public interest and overcoming the national problems facing us.

It is the duty of the other parties to rise to this level, be it in rebuilding themselves or in dealing with the majority party. We must all put behind us all the old practices designed to create confusion and chaos and to place special interests above the higher national interests.

The people have reached a degree of consciousness that allows them to differentiate between the truth, be it pro or con, and between lies, no matter how wrapped they may be in false heroism. In this open society that accommodates all opinions without fear or coercion, there is no more room for hypocrisy or false heroisms. Those entertaining dreams of going back to the suppressive autocratic system must know that such dreams, even if they should come true, will claim them as victims, for he who plays with fire is the first one to burn his fingers.

12502  
CSO: 4504/95

MAYU DEFENDS EGYPT'S POLICY ON CAMP DAVID, ISRAEL

Cairo MAYU in Arabic 5 Nov 84 p 7

/Editorial by Sabri Abu-al-Majd: "They Waste Time and Effort Attacking Camp David But Do Not Take One Step to Liberate the Occupied Land"/

/Text/ Some Arab brothers, and some Egyptian brothers as well, for years now have devoted all their efforts and capabilities, which, unfortunately, are vast and plentiful, to attacking the late president, Muhammad Anwar al-Sadat--may he rest in peace--a and the Camp David Accords /CDA/ as though they have nothing else to think or worry about. All this despite the fact that President Sadat--may God have mercy on his soul--passed away over 3 years ago and is no longer capable of doing anything about it. It is in the hands of his Creator who is the one to reckon with him for his deeds, good or bad. The CDA ceased to be a valid political issue, whether in Egypt or in Israel or anywhere else in the world, after the Israeli leaders put these agreements on ice and following Israeli intransigence over the issue of Taba which has never been considered in ancient or contemporary history other than a part of Egyptian territory, and the Israeli bloody position in Lebanon and in occupied Arab territory: Gaza and the West Bank, Arab Jerusalem in particular.

It is curious, rather dubious, that those who have nothing else to talk about in their newspapers, broadcasts and conferences except Camp David and Sadat have not taken one practical step towards liberating the Golan, the West Bank and Gaza, a clear and obvious proof that they are not as much concerned with the liberation of the occupied territory as they are with attacking al-Sadat and Camp David.

Although they, more than others, are well aware that their vicious attack against al-Sadat and CDA will not yield any positive results whatsoever, they, nonetheless, are persisting in this ferocious attack for which they have devoted their lives exclusively, as if it were their only mission and their only purpose in life.

It is also curious, and rather dubious, that after all the shocking defeats inflicted upon the Arabs in Lebanon and Palestine, and after all the massacres that occurred among the Palestinians themselves, leading to the neutralization of the PLO, the sole legitimate representative of the heroic Palestinian people, they are still wondering if Egypt will return to the Arabs.

We would like to assure them and others that Egypt never for one day left is Arab Nation to return to it.

Egypt is the throbbing heart of the Arab nation. The Arab nation has no life without Egypt and Egypt has no life without its Arab nation. Egypt's Arab character has never been a cloak to be donned one day and discarded the next day or vice versa.

Egypt's Arabism is its fate and its destiny, its life and existence, not only in this century, but for hundreds of years.

We do not know what crimes Egypt has committed in the view of those who think only with their vocal cords that have never and will never fight with anything but microphones.

Egypt's crime is that it has liberated its land and that of its Arab nation.

Egypt's crime is that it has driven away Israel from 66,000 square km.

Egypt's crime is that it has forced Israel to retreat for the first time since its creation, May 1948.

Egypt's crime is that it has returned Sinai to Egypt and the Arab nation!

Let us honestly and truthfully ask ourselves, and honestly and truthfully reply together, what would have happened to Egypt and the Arab nation had the peace treaty not been signed?

Would Sinai have been liberated?

Would Egypt have been able to achieve what it has for itself and its Arab nation?

In all probability, nothing would have changed, neither with regard to Sinai nor anything else, had it not been for the peace agreement. Israeli soldiers would have stayed in Sinai as they have done in Golan, the West Bank and Gaza.

Again, let us honestly and truthfully ask ourselves, and honestly and truthfully reply together:

Egypt's sworn record bears witness to the fact that over 100,000 martyrs have given their lives in defense of Egypt, Palestine and the whole Arab nation.

Egypt's economy for over 30 years was severely affected by the wars waged against Israel.

There is not one single Egyptian family that has not had one member killed or wounded in the past four wars.

There is not one Egyptian, male or female, living in Egypt or abroad who has not been affected by those Arab-Israeli wars. We were buying tanks, airplanes and other things while others were buying pens, newspapers and magazines.

We were, and still are, paying out of our nourishment, taking little morsels of food out of our childrens' mouths to protect ourselves and our Arab nation from all its enemies and adversaries. What have the others done?

Mr Mu'ammar al-Qadhdhafi, who possesses what Croesus may not have possessed in his time, what has he offered to the Palestinian cause in particular and the Arab nation in general? There are many, many more like him who have given nothing to the Arab nation and nothing to the peoples who have been afflicted by their rule only to reap words, promises and slogans:

--War until the last Egyptian plane.

--War until the last Egyptian tank.

--War until the last Egyptian soldier.

Are not these some of their cries and slogans?

Are not these samples of what they were urging upon the Arab nation?

They call for a total war and /then/ run away from it.

They summon Palestinian fighters with parachutes, but only send them umbrellas to protect them from rain and heat. They raise the slogan of liberating the land while they are only capable of editing newspapers and magazines.

They begrudge the Palestinian fighters money, but shower millions upon those who glorify them, saying they are gods on earth.

The Arab nation has a duty towards its present and its future to ask those who are prattling about Egypt's return to the Arabs what they have offered the Arabs and to show documented evidence of their sincerity.

Egypt pays attention neither to these nor to those.

Egypt looks with pity upon these heroes of talk and nothing but talk, for they are nothing but sick people very difficult to cure.

It is ludicrous and sad at the same time that some of them start a rumor and run behind it to analyze and explain it and to weave stories around it.

A most likely example of such men is that a Kuwaiti newspaper believed what was said about an endeavor by President Mitterand to hold an Egyptian-Israeli summit. Although this news was unfounded and not professed by the Egyptians or the French or the Israelis, AL-HAMAMAH newspaper nevertheless commented on it by writing a superb lead editorial that had all the fancy words as well as all the lies and venom.

The Kuwaiti newspaper got carried away, insisting on letting its imagination run away with it. What we would like to say to this and many other newspapers and to those libelous, loquacious characters as well is that Egypt under Husni

Mubarak's leadership adheres to its Arab commitments, for the Golan issue, like the Gaza and West Bank issue, has the same place in the heart of every Egyptian as the Sinai issue.

Egypt is not at all in need of lessons in patriotism or nationalism from kin or some foreigners. It is better for you, O people, if you wish your nation and yourself well, to stop this prattle and think about the right way that can lead us to the liberation of Golan, the West Bank, Jerusalem and Gaza in particular.

"Our Lord! Decide Thou between us and our people in truth, for Thou art the best to decide."

12502  
CSO: 4504/95

POLITICAL FIGURES EXPLAIN DELAY IN APPLICATION OF ISLAMIC LAW

London AL-DUSTUR in Arabic No 350, 26 Nov 84 pp 18, 19

[Article by Husam 'Ali: "Islamic Law -- After the Change in the Flag"]

[Text] Will the Egyptian parliament discuss the application of Islamic laws in Egypt? That is a question which observers in Cairo are now raising, now that the People's Assembly has given agreement to change the flag and the motto of the country and is now preparing to discuss a number of drafts of laws presented by the opposition, the Wafd Party in alliance with the Moslem Brothers.

In this report, we will try to give an answer to the question that has arisen in the course of the controversy which is now being raised in Egyptian political and party circles, before we deal with the issue of the People's Assembly's agreement to the change in the country's flag and symbol and the question why this change was made, in addition to statements which Dr Wahid Ra'fat, the vice chairman of the Wafd Party, made on the demand to apply Islamic laws.

On this subject, Dr Ra'fat said that the Wafd Party was in agreement with the amendment made to the Egyptian constitution stipulating that Islamic law was the main source of legislation and that that would not mean that provisions could not be derived from other sources as long as there was no contradiction between them and Islamic law. The vice chairman of the party also added that that did not mean that we should abrogate all the existing laws and replace them with new ones; rather, it meant that the competent bodies should review these laws to see to what extent they were compatible with Islamic law. Dr Wahid Ra'fat did not stop at this explanation; rather, he stressed that even the religious figures themselves admitted that civil law, in its entirety, in more than one article, conflicted with Islamic law only in two areas, interest and insurance contracts. Except for that, this civil legislation was totally in harmony with Islamic law, which was not strange, because the person who had set out this legislation was a learned professor, Dr 'Abd-al-Raziq al-Sanhuri, who combined his precise knowledge of the laws with his extensive information about the provisions of Islamic law.

This was the statement which Dr Wahid Ra'fat, the knowledgeable man of the law, made, and it has prompted some people to say that Dr Wahid Ra'fat has

been the major Wafd official through whose request the campaign to collect signatures started by Dr 'Abd-al-Ghaffar 'Aziz, professor of the call to Islam in al-Azhar and member of the parliamentary board, was suspended.

However, there also are people who refer, in this regard, to the ruling party's position on the issue of the discussion of the application of Islamic law in the People's Assembly and also the position of the chairman of the assembly, Dr Rif'at al-Mahjub.

In this regard it should be mentioned that after Dr 'Abd-al-Ghaffar started his campaign, Dr Rif'at al-Mahjub held a meeting with Shaykh 'Umar al-Talmasani, the general guide of the Moslem Brothers in Egypt. It was commonly stated that the meeting was to discuss the Moslem Brothers' insistence on raising the issue of the application of Islamic law in the People's Assembly.

In this context, also, some supporters of the People's Assembly discussion on the application of Islamic laws offer as evidence statements which Dr Rif'at al-Mahjub made to a weekly magazine in Cairo, in which he said "Our society, which suffers from problems, must not be the prisoner of one belief or another; we do not have the time to waste on philosophical or ideological labyrinths."

The people who have offered these statements as evidence said that what they meant was the subject of the application of Islamic laws. They also said that the specialized People's Assembly committees had finished putting out the articles for codifying Islamic law and all that remained was to discuss their application. Then these people, in a reference to the position of the ruling party, pointed out, in addition, that the government statement, made by Mr Kamal Hasan 'Ali, the prime minister, to the People's Assembly did not refer to the issue of the application of Islamic laws remotely or explicitly.

In the midst of this controversy, the question is still at issue: will the assembly discuss the application of Islamic laws? Here a practical answer arises, in essence that the assembly's discussion of any draft law will require the agreement of a specific percentage of the members of the assembly, in the sense that the campaign to collect signatures which Dr 'Abd-al-Ghaffar 'Aziz had started perhaps would lead the assembly to discuss the subject.

However, it was suspended, "in accordance with a request from a major official in the Wafd Party," and the ball now is in the court of the party allied with the Moslem Brothers. Once again, we pause before the statement Dr Wahid Ra'fat made above, to the effect that the Wafd was not a religious party and that the Moslem Brothers had entered the party because the law on parties did not permit the establishment of parties on religious bases and therefore they could find an outlet for their spirits only by joining a party!

Did the "Brothers" want the outlet to take form in a manner which went beyond the limits of the alliance between themselves and the Wafd? Is it possible that this current dispute, in addition to other disputes, could lead

to the breakup of the alliance? These are questions which the coming days will answer.

#### Other Laws

The drafts of laws which the People's Assembly is preparing to discuss, which have been presented by the opposition, the Wafd Party, include the abrogation of the revolutionary court which was formed in 1967 and the amendment of the law bearing on the military judiciary and the emergency law.

On these drafts of laws, sources in the Wafd Party say that the decree on Law 48 for 1967, which was issued in the era of the late President Jamal 'Abd-al-Nasir, conflicts with the constitution, now that constitutional legitimacy prevails in the place of revolutionary legitimacy. Concerning the drafts of other laws, the same sources say that in the event of an emergency civilian citizens indicted in felony and misdemeanor cases cannot be brought before the military judiciary, but rather must appear before the ordinary judiciary.

The drafts also contained a recommendation on a draft law regarding gifts given to officials, considering them to be public property owned by the government. Here the discussion concerns gifts whose value exceeds 50 Egyptian pounds which are not immediately consumed as soon as they are used.

This leaves the issue of the change of the country's flag and symbol. The People's Assembly, after its discussion of the abrogation of the law on the federation of republics between Egypt, Syria and Libya declared in 1971, agreed to the change of the flag of the country in Egypt, defining the colors of the flag as black, white and red, and changing the hawk to Salah-al-Din's eagle.

In this regard it has been pointed out that the agreement by the People's Assembly to the change of the country's flag and symbol put an end to rumors which had been current to the effect that the requisite change would bring back the green flag which prevailed in Egypt in the era of King Faruq, up to 1958.

What is odd about the matter is that the person who recommended the return to the flag of the monarchy was 'Ilwi Hafiz, who previously belonged to the Free Officers' organization, the Liberation Rally and the Socialist Union, and now is member of the parliamentary board of the Wafd Party!

In spite of that, the assembly's agreement to the change in the country's flag and symbol generated much controversy, focused on the question whether this change would cost the country tens of millions.

However, there are people who say that the tens of millions are much more trivial than Mr 'Ulwi's recommendation, which has gone with the wind.

ECONOMY MINISTER DISCUSSES FOREIGN EXCHANGE CASE

Cairo AL-AKHBAR in Arabic 25 Oct 84 p 3

[Article by Jamil George: "Dr Mustafa al-Sa'id, Minister of Economy: This Is Truth of Delinquencies of Banks and of the Seven Currency Kings; Borrowing Limits Amounted to 500 Percent of Deposits in Some Banks; Our Objective Is To Have Banks Deal in Dollars According to Supply and Demand"]

[Text] What is going on in the banks, who is responsible for the exposed delinquencies and what is the government plan to avoid the recurrence of this phenomenon? What is the true nature of the financial positions of the moneychangers and who has enabled them to amass such vast fortunes that they have come to control the fate of the national economy? Rather, they have turned into a center sabotaging the economy as a result of smuggling and of speculation in the national currency. What has the policy adopted by the government in the past 2 years achieved and why has the dollar price risen again to 130 piasters? These are the questions answered by Dr Mustafa al-Sa'id, the minister of economy and of foreign trade.

The Egyptian man in the street is preoccupied these days with the issue of delinquency in some banks, with the smuggling of millions in currency and with the speculation in the Egyptian pound. One of the consequences of this speculation is the rise in prices. There is also the ceaseless talk about the rising price of the dollar. Even the citizen who knows nothing about the shape of the dollar is involved in this talk, as if the problem is his personal problem. The issue has reached the point where some people have accused a number of former officials, led by ex-ministers of economy and Central Bank officials, of causing either because of premeditated negligence or of goodwill, this situation which has been exposed by the socialist prosecutor.

In response to the questions of the man in the street, Dr Mustafa al-Sa'id, the minister of economy, said: From the outset, we must know that when the policies adopted by the government to achieve discipline clash with existing interests from which a limited number of citizens benefit, a clamor and an uproar rise, especially in the democracy in which the country lives nowadays. If we backtrack to 1982 and before the state adopted the 5-year plan system, we find that the picture reveals the emergence of a number of banks with a

modest capital. In the absence of control by the Central Bank, a large number of foreign banks and their branches, exceeding altogether 70 banks and branches, were approved. Recently, the disciplinary movement led by the government has resulted in exposing some delinquencies in a limited number of banks not exceeding four banks altogether, namely Al-Ahram, al-Jammal, the National Egyptian and Faysal banks.

The Central Bank decision had stipulated that the ratio of loans to deposits should not exceed 65 percent and that special interest rates be accorded loans for industry and agriculture so that those rates may not exceed 13 percent whereas the interest rate for commerce-oriented loans had been set at 16 percent. The third decision stipulated that the commerce-oriented loans not exceed 1 percent [of total loans] a month.

#### Final Turning Point

When I came to the cabinet in September 1982, I found that the Central Bank had been able to implement only the decision on the different interest rates whereas the banks had totally disregarded the other decisions, thus swerving from the banking rules. Some of them had exceeded the credit limits, at times reaching 500 percent of the set limits, by using deceptive accounting methods. Those banks also concentrated their loans and channeled them toward commercial activity, without any guarantees. This put them at a serious turning point which threatened them with bankruptcy and with losing the citizens' savings. The rate of increase in commercial loans soared to 70-75 percent of the volume of the lending activity and those loans descended to reach the smallest merchant in the city quarter.

#### Not with Purpose of Slander

The banks asked for a period of grace to establish discipline. We welcomed their request, considering that it was only a phase. We granted them 3 months but the banks requested that the period be extended until it amounted to 1 year. After that period, I found it necessary to take a position as of last January because we could not keep silent on this laxity, especially since some had chosen the path of delinquency to pursue their personal interests at the expense of the national interest.

It was natural for the delinquent to be referred to the socialist prosecutor in order that the entire truth may be exposed to the people and to society. The purpose was not to slander this very limited number of banks.

#### Seven Currency Kings

The second element concerns the moneychangers, their delinquencies and their speculations in the Egyptian pound, the national currency. It also concerns how seven kings have come to control the market and fix the price within the framework of a complete organization, with the volume of their transactions

amounting to \$3 billion a year. They fixed the volume of the demand in a manner convenient for their trade, whether the demand for currency used for the purpose of imports without money remittance, for Port Said merchants or even for the drug traffickers whose dollar needs have been estimated by studies at \$75-100 million a year. There are also the needs of the local investment firms and of the pilgrimage to Mecca -- 132,000 citizens.

#### Attempt To Break Monopoly

To face the currency monopoly by the 7 merchants, I held 32 meetings which were attended by Muhammad Shalabi, the Central Bank governor; Dr Mustafa Khalil, the head of the International Arab Bank; Hasan 'Abbas Zaki, an ex-minister of economy; and the heads of the public sector banks. We found that the means to break up this monopoly -- cartel -- was to introduce the banks as a legitimate outlet for dealing in the market with a distinguished price of 112 piasters per dollar, provided that the banks also supply dollars to the public and private sectors at the price of 117 piasters per dollar. This decision was implemented as of the beginning of last March and the results have been encouraging.

What confirms the stabilization of the dollar price is that this price has been rising or dropping by no more than 1 or 2 piasters in the past 7 months. The deposits have also risen to \$8 billion. Despite this, I stress that the issue of dealing with the Egyptian pound versus the dollar is the issue of the structure of the Egyptian economy, beginning with the phase of production and ending with the phase of securing the country's commodity needs and securing exports. I am one of those who believe most strongly in the need of coordination and integration among the currency, economic, financial, foreign trade and investment policies.

#### Dollar Supply and Demand

The efforts did not stop at this limit. Rather, a series of meetings were held with the most prominent Egyptian moneychangers to utilize their expertise in the sphere of savings. My conditions were that these moneychangers be treated the same as the Arab moneychangers, namely that the Central Bank set the purchase price. At the beginning, they agreed and even went as far as concluding contracts with the Cairo and Alexandria banks. But they then withdrew because their cultural awareness is not up to par. Moreover, they relished the speculative activities, thinking that they were controlling the market. Therefore, what we are thinking of at present is to complete the measures we have already taken, namely have the banks, which are more committed, honest and reliable, carry out the dollar purchase and sale transactions according to supply and demand. It is natural that adopting this approach requires special preparations which are currently under study. I would like to point out that the four national public-sector banks still control 75 percent of the money-changing activity.

### **Present Situation**

If we examine the current situation and evaluate the decisions we have made, we find that the government succeeded in adopting a number of measures which have contributed to stemming any further rise in the prices. Foremost among these measures are:

Reducing the growth rate in issuance of the means of payment -- banknotes -- from 44 percent in 1981 to 28 percent and then to 20.5 percent last year.

Channeling the major part of the credit facilities toward the industrial and agricultural activity.

As for the complaint regarding the failure of the banks to secure the foreign currency needed to meet the requirements of the public and private sectors, despite the importance of these requirements, and the complaint that some banks have been compelled to release part of their deposits in dollars to meet the demand, I say that this is not true. What proves this is that from 15 September until the current month of October a sum of \$223 million has been supplied by the accredited public-sector and joint-sector banks at a price of 117 piasters per dollar. These funds have been channeled toward importing production requirements, construction materials and foodstuffs. I am prepared to intervene and solve any complaint concerning failure to supply foreign currency for the importation of essential goods.

### **Turning Toward Projects**

Dr Mustafa al-Sa'id added:

It is not true that the banks are complaining of the availability of \$7 billion at their disposal and that they cannot find the opportunity to invest them. Such reports are circulated by those who manipulate the figures. What is important is not the flow of funds or the addition of these funds to the main assets. What we are focusing on at present is to channel the monies available to the banks toward production projects while continuing at the same time to finance commerce at the rates set by the Central Bank. In this case, quick profits are produced by commerce and long-range profits by the production projects.

### **Interest and Inflation**

Answering a question on the interest rate for loans in Egyptian pounds, a rate amounting to 14 percent at the average, the minister said: This rate is not high if compared with the 18 percent inflation rate. What proves this is that a person who borrows at 14 percent to purchase a commodity can make from it a profit amounting to the difference between the interest rate and the inflation rate. I would like to point out that there is more than one reason for inflation and that the most important reasons are government spending,

the budget deficit and low productivity. Therefore, this year's plan seeks to deal with these aspects through integrated and balanced policies.

#### Questions Persist

The interview with Dr Mustafa al-Sa'id, the minister of economy and foreign trade, ended at this point and he began preparing to answer the question raised by Muhammad Khalil Hafiz, the People's Assembly member, on the rise in the dollar's price and the drop in the Egyptian pound's price. It is certain that a number of questions will erupt during the discussion, led by the questions: when will the Central Bank's control extend to all the banks, excluding one bank in which the shareholders are governments, not individuals, and which has been founded in accordance with a special law? Until when will the police continue to pursue whoever possesses in accordance with the lame currency law which permits possession and prohibits circulation? Does the problem lie in recording these monies in the banks and then withdrawing them? Until when will we continue to expand the purchase transactions in dollars at home? Transactions in dollars have become more prevalent than transactions in pounds, considering that the citizen is now buying his car, his refrigerator, his television and his washing machine in dollars. The rise of the price of a dollar to more than 130 piasters is a serious signal that must be reexamined quickly.

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## MISUSE OF RED MEAT SUBSIDY EXAMINED

Cairo AL-AKHBAR in Arabic 29 Oct 84 p 3

[Article by Karam Sinnarah: "Where Does Subsidy Allocated for Red Meat Go"]

[Text] In 1979, a presidential decree was issued prohibiting the slaughter of livestock for a month. At the time, opinions varied in their evaluation of the decree. A faction supported it with utter enthusiasm, considering it a declared and frank challenge to the greed of the merchants and the butchers that was similar to the challenges made in most of the advanced countries. Another faction found it difficult to refrain from eating meat in compliance with a presidential decree.

As for the butchers themselves, they paid no attention to the decree. What is truly surprising is that they considered the ban period just a period of "rest and relaxation" after which they would resume their activity energetically and prosperously. This is what actually happened.

Regardless of the feasibility of evaluating the decree, that decree did have its motives. The price of a kilogram of meat did not exceed 140 piasters at the beginning of 1976. But then this price rose in successive leaps to 160 piasters, 2 pounds, 3.5 pounds and 4 pounds in 1978. This motivated the adoption of the famous decree. But what then?

The ban period ended. The supply intelligence agencies escalated their campaigns in the markets and it was decided to permit the sale of meat only 3 days a week. Moreover, the state subsidized fodder to encourage breeders on the one hand and to protect the destitute and the people with limited incomes from the "plague of prices" on the other hand. Despite all this, matters again got out of hand, the butchers' knives multiplied, their pockets got filled and fodder middlemen participated in the act with the butchers until the price of a kilogram of meat reached 7 pounds. Regrettably, all this was happening under the cover of a myth called a subsidy.

Perplexity has emerged in the form of broad question marks: who is really responsible for all that is happening? Is it the butcher who thrusts his cruel knife into the back of the hapless employee 3 times a week, is it the imaginary breeder who exploits the "uproar" and who loves to fish in troubled waters or is it the consumer with a limited income who still insists on eating meat each week?

## Black Market and Subsidy

The reports discussed at the Ministry of Agriculture in the period of refrainment, control and enlightenment at the end of 1983 proved that the shortage was in concentrated fodder and in the quantities of fodder distributed by the Ministry of Agriculture to meet the needs of farmers and breeders. As a result of this shortage, fodder prices on the black market have risen and this has motivated most breeders to get rid of their herds. All this has been coupled with an increase in the demand for meat and, consequently, in an increase in meat prices, thus exerting strong pressure on the supply agency to import meat from abroad, regardless of how high their prices, and to market them at subsidized prices to establish a balanced price, with the state shouldering the difference in the prices. To fill part of the gap in fodders, the agency also imported corn and sold it at subsidized prices, either in its natural form or mixed with other fodders.

### Total of 144 Million Pounds in Subsidy

The reports say that the heavy subsidy shouldered by the state, whether in foreign currency for imported corn or in local currency for reduced prices for local raw materials, amounts to 144 million pounds which are not all delivered to the small farmer who really deserves the subsidy.

In the language of figures, we find that more than 60 percent of Egypt's livestock resources are owned by small farmers in small numbers ranging from 1-3 head per farmer. Moreover, the 1.25 million tons of fodder produced each year and distributed it to milk-producing and feed lot animals at an average of 4.5 kg of fodder per head of livestock per day indicate -- assuming that the farmers do not deal in the black market and that each head of livestock to which 4.5 kg are allocated each day gets this amount and is not denied it -- that the head of livestock benefiting from the fodder amount to 761,000 head of milk-producing and fattened livestock. This number is less than 20 percent of the total number of head of livestock in the country. When we learn that the owners of dairy plants and feed lots provide their animals with 8-12 kg of fodder per head per day, then this simply means that the black market provides 50 percent of the fodder used, that no more than 10 percent of the total number of head of livestock benefit from the concentrated fodder and that the subsidy is channeled almost completely toward the rich breeders who are not in need of the subsidy to start with and toward the black market middlemen.

Eng Muha-mad Rida Isma'il, the director of livestock production in al-Sharqiyah, believes that the fodder subsidy is a complex puzzle. The volume of fodder available to the state is enough to meet the need of no more than one-third of the breeders. The other two-thirds rely on the black market for fodder. Considering that the breeders who are outside the subsidy sphere continue their breeding activity, then this means that they are getting a reasonable profit margin. Moreover, the livestock merchant or the butcher buys subsidized

livestock at the same price as unsubsidized livestock. It is evident that the consumer is ultimately denied the benefit of the subsidy and that most of this subsidy goes to the butcher. The butcher buys a 500-kg head of cattle for 1,000 pounds on the basis of 2 pounds per kilogram. When slaughtered, this head of cattle nets 250 kg of meat. If we consider 5 pounds per kilogram the average price at which the butcher sells his meat, then this means that he makes a profit of 250 pounds per head of livestock. Consider what the profit is if he sells 4 heads a week or if he has a number of shops in various areas or quarters.

The director of livestock production in al-Sharqiyah proposes abolition of the fodder subsidy as long as the consumer derives no benefit from it and as long as production cannot meet the need, thus leading to the creation of the black market.

[Question] You have said that there is control through the monthly followup committees which make sure of the soundness of supply distribution measures to frustrate any tampering. How did the black market develop and what are the sources financing it?

[Isma'il] Considering that the fodder volume is not enough to meet the needs of all breeders, it has been decided to distribute the supply within the limits of the available resources (to breeders owning a minimum of three male buffaloes and bulls and five cows). As for other breeders who own one to three bulls or one to four cows, they continue to wait for their turn or are at the mercy of abolition of the supply distribution to some breeders who tamper with the fodder ration supplied to them. In this case, the quantities allotted for imaginary extra numbers and the distribution continues for the real numbers.

[Question] Do you think that this is a truly deterrent penalty?

[Isma'il] These are the instructions and we have to implement them, of course.

#### Black Market Origins

Al-Hajj 'Abd-al-Hamid Zalat, a breeder from East Faqus, said: The fodder black market exists because the demand for fodder is higher than the supply. The state should have raised the price of a ton of sesame seed cake and crop leftovers from 40 pounds to 100 pounds. On the one hand, the breeder will find his needs easily instead of buying the ton from abroad for 180-200 pounds and, on the other hand, the increase in supply would be used to make up for the shortages, not to mention the most important result, namely striking at the black market which is exploited by the imaginary breeder and the butcher in harming the public.

Here is another proof that saves you further search: in 1979, the livestock production inspector in Faqus asked me to double the number of livestock I had in my district so that we might sell the surplus fodder in the black market and share the profits. When I refused, he challenged me and I

reported him to the governor of al-Sharqiyah who ordered his transfer to the seedlings section in the agriculture department. But the group benefiting from that inspector's presence had no mercy for me and they burned 3 feddans that were cultivated with wheat and that belonged to me only 3 days after the inspector was punished.

#### Unilateral Giving

Al-Dusuqi Murad, an agricultural engineer at the Quwaysina Agriculture Department, said that a very important issue is the fact that the state gives and does not take. It subsidizes fodder and supplies it at 40 pounds per ton whereas the real cost is more than 140 pounds, not to mention the fact that the price reaches 180 pounds in the black market. Despite this, the state does not require the breeder to deliver to it at least 30 percent of his production so that it may distribute it at affordable prices to the public, the side entitled to reap the fruit of the subsidy. Al-Dusuqi added: The field work has proven that nearly 75 percent of the livestock owners possess 1-2 head of livestock. Therefore, they are outside the sphere of the subsidy from which only 25 percent of the breeders benefit. Despite this, the state reaps no benefit from this 25 percent. Therefore, the subsidy must be eliminated so as to establish a balance between the price of fodder on the black market and the official price, and the subsidy allocations must be used to produce fodder alternatives so as to solve the problem altogether.

#### Agricultural Engineer Shares Opinion

Sa'd Yunis, a breeder, said that allowing the price of fodder to float in the natural free market which is subject to supply and demand will spare us the bottlenecks caused by middlemen because the late delivery of the allocated rations compels us to resort to the black market. This exposes us at times to losses which we cannot withstand as small breeders. This is in addition to the monopolization of the livestock market by a number of butchers who impose their prices on us.

#### Distribution of Roles

A breeder from al-Gharbiyah who declined to reveal his name said: I am compelled to tell you everything. Because the fodder is not enough for the breeders, you find that they resort to several means:

Establish friendly understanding with the examination committee. For example, we know who is coming with the committee. If we find that we can reach an understanding with the personality coming with the committee, then this is fine. But if he is a strict and strong personality, then we agree with our neighbors and relatives and borrow their livestock to get the number needed so that the committee may find everything in order. In case the committee comes suddenly, we delay it at the village entrance, telling it that the key is lost or the stable worker is on a trip. The people have come to understand their role. Even a small child knows what to do.

[Question] But what about the other specifications required in the supply application form, especially the ring affixed to the ear of every head of cattle?

[Breeder] All these things are taken into account. People buy the punch needed to affix the ring to the ear in case an understanding is reached with the committee. We can also get the rings and punch them into the ear at a suitable time.

#### Weak Control

We had to discuss the outcome of the tour with the Ministry of Agriculture, the primary authority concerned with the issue.

[Question] I said to 'Abd-al-Raziq Badaqi, the head of the ministry's Central Department for Livestock Production Affairs: It is noticed that there is poor control over the quality of the fodder produced. Some samples have been found to contain 14 percent protein, others 22 percent ashes and others 9.8 percent sodium chloride. All these are percentages far from the proper concentration of nutrient elements needed in fodder. Who is responsible for this?

[Badawi] This is true because some of the plants are very old and have exceeded at least twice their hypothetical lifespans. Mixing in these very old plants is still done in the very primitive manual method.

[Question] This puts us face to face with two problems: the problem of replacing and renewing the machinery and the plants and the problem of subsidy appropriations. Which of the two problems merits priority in reconsideration?

[Badawi] In its present form, the subsidy does not reach those who deserve it and goes mostly to the middleman. This is why we cannot call for eliminating the subsidy at once but call for eliminating it gradually, let us say over a period of 5 years, because we are in dire need to increase production and expand in projects before we abolish it at once.

#### Crime and Punishment

[Question] I have learned that the black market supply is secured fundamentally through manipulation of the subsidized fodder allocations. In cases where the state clings to its right, the penalty is confined to scratching out the imaginary number from the application form and keeping the real numbers. Here, we find no balance between the deterrent or punishment and the magnitude of the crime, especially since the manipulator has made his hit in the market, as people say. Is there an explanation?

[Badawi] Insofar as the black market supply is concerned, it is well known that this market is responsible for the shortage in any commodity. As for

manipulation, it is assumed that there is a monthly followup committee to pursue manipulators everywhere.

To conclude, what is supposed to be is one thing and the reality is something else. The price of a kilogram of meat is not supposed to exceed 4 pounds under any condition, considering that it is subsidized to start with. But the reality is that this price has risen to 6-7 pounds. Is there hope of narrowing the gap between what is supposed to be and the reality?

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NEW REVENUE DEVELOPMENT REGULATIONS ANNOUNCED

Cairo AL-AKHBAR in Arabic 5 Nov 84 p 3

[Article: "Executive Regulations of Revenue Law: All Incomes Exceeding 13,000 Pounds Shall Be Subject to Fees of New Law"]

[Text] Dr Salah Hamid, the minister of finance, issued yesterday the executive regulations pertaining to the revenue development law. The regulations organize the means for the collection of the new fees from the payer of commercial, agricultural and free taxes and from whoever earns wages and similar income exceeding 18,000 pounds as well as for the collection of passport, departure and residence fees and fees for citizenship applications. The regulations state that the revenue fee does not apply to real estate expenses and agricultural utilization, which are exempt from taxes to start with. The regulations permit the payment of fees in cash, revenue coupons or special stamps. The regulations also define the collection agencies concerned.

Article 1 of the regulations states that the Tax Agency shall collect the revenue development fee for any sum exceeding 18,000 pounds:

For net profits subject to the tax on commercial, industrial and non-commercial professions, the tax commission concerned shall be the commission concerned with commercial or professional activity to which the taxpayer is subject in accordance with Decree No 164 of 1982 by the minister of finance.

Salaries and Similar Income

This is whatever is paid to the chairman and members of boards of directors of joint-stock companies and to the directors and members of the supervisory boards of limited-liability joint-stock firms in sums subject to the tax on movable capital.

The tax commission concerned with the above two cases shall be the commission to which the taxpayer submits his general income tax declaration.

If the fee is subject to the general tax vessels -- free professions, commerce, salaries and others -- the commission collecting the fee shall be the commission concerned with the taxpayer's main activity.

## Travel and Emigration Documents

The agency concerned with travel, emigration and citizenship documents shall collect the fees connected with the acquisition and renewal of passports, with residence applications by foreigners or with relevant applications, permits or cards and with visas for re-entry to the republic's territories or departure from these territories.

The security agency shall collect the revenue development fees for weapons permits and the general security agency shall collect the fees for permits to work abroad or work with foreign organizations or projects as well as the fees for the renewal of such permits.

The Traffic Department shall collect the fees for permits to operate private cars. The Land Register Agency shall collect the fees for the issuance of copies of official documents, and the authorities and individuals required to implement the excise tax provisions shall also be responsible for collection.

## Form 26

The second article of the regulations states that every worker with wages and similar earnings exceeding 18,000 pounds a year and all chairmen and members of the boards of directors of joint-stock companies and of boards of supervisors of limited-liability joint-stock companies with a taxable income exceeding 18,000 pounds must submit to the commission concerned with the collection of the revenue development fee a declaration on Form 26 within 2 months of the end of the tax year. The declaration must be accompanied with a statement showing the wages, bonuses, expense accounts, hazardous work pay and all kinds of other cash and in-kind benefits paid to the worker for the year preceding the declaration.

A taxpayer subjected to more than one kind of special tax and whose income exceeds 18,000 pounds a year must submit to the commission concerned a single declaration on tax Form 52 within 2 months of the end of the tax year. He must also attach to this declaration a statement showing all the taxable income he earned in the preceding year.

The third article of the regulations states that the revenue development fee shall be collected in addition to the taxes and fees stipulated in the law No 147 of 1984.

## Exempt Activities

The fourth article states that the revenue development fee shall not be applicable to the following resources:

Real estate expenditures included in Article 19 of income tax law No 157 of 1981.

Agricultural utilization of garden crops included in Article 22 of law  
No 157 of 1981.

The fifth article states that any sum subject to the income tax on movable capital and paid to the chairman and members of the boards of directors of joint-stock companies and to chairmen and members of the boards of supervisors of limited-liability joint-stock companies shall be subject to the development fee, regardless of any exemption contained in any general or special law.

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NEW TAX EXEMPTION FOR EDUCATIONAL MATERIALS REVIEWED

London AL-AHRAM: AL-TAB'AH AL-DUWALIYAH in Arabic 4 Dec 84 p 8

[Article by Safwat al-Sharqawi: "Two Ministerial Decrees on New Customs Exemptions: The Exemption of Gifts and Equipment Brought in for Philanthropic Societies"]

[Text] Dr Salah Hamid, minister of finance, has issued two decrees regarding the exemption from taxes and customs duties of categories classified as gifts, bequests or aid and equipment and instruments imported on behalf of extant societies and private organizations so that these may engage in their prime activity.

The first decree includes the exemption from taxes and customs duties of equipment and instruments which are brought in as requirements for mosques belonging to the societies, including water coolers, electric ceiling fans, public address systems, microphones, vacuum cleaners, models and small rugs, and equipment and instruments belonging to societies (hospitals, shelters, old people's homes and nurseries) such as special chairs for disabled persons and watches for the blind.

The exemption covers electric sterilization equipment, equipment for ultrasonic wave diagnosis, illuminating lamps for operations, family planning equipment and instruments, refrigerators for non-household use, machines for washing clothes other than for household use, weaving machines used by societies pursuing social and women's activity and religious publications and books.

The decree also covers equipment, machinery and material required by societies for the disabled, special groups, productive families, vocational training societies and societies which have training centers and shops, printing machinery for societies engaged in cultural activity, typewriters, material imported by the Egyptian Red Crescent Society so that it can achieve its purposes, on grounds that it is a member society of the International League for Red Cross and Crescent Societies, aid, bequests, material imported by organizations to carry out agreements with governments or international bodies, audiovisual equipment, documentary, religious and educational films, and children's games for societies where child care forms a part of their activities.

Mr Husayn Amin, chief of the Customs Department, stated that the second decree of the minister of finance includes the exemption from customs tariffs of tapes recorded with religious, educational and pedagogical recordings and the like, as well as educational, scientific and cultural movies, in accordance with specific conditions which require that the imported materials be compatible with the society's activity and in noncommercial quantities.

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JOINT FARMING VENTURE WITH AMERICA REVIEWED

London AL-AHRAM: AL-TAB'AH AL-DUWALIYAH in Arabic 5 Dec 84 p 3

[Article by Ni'mat 'Isawi: "An Egyptian Experiment To Get the Egyptian Peasant back to His Field"]

[Text] The objective of this experiment, called the small farms [experiment], which the Ministry of Agriculture is carrying out in three governorates in our country with experts from the United States, is to bring the Egyptian farmer who has less than 5 feddans back to where he was when the Egyptian village was a "productive village," then, in the light of numerous conditions, turned into a consumer village constituting a burden on the government's resources.

How does the picture of the experiment in the three governorates seem?

The project is a joint Egyptian-American effort, since America has contributed material aid totalling 25 million pounds and agricultural technical aid.

The project's executive team consists of Egyptians and Americans.

In each of 27 village banks in the three governorates, there is a complete operating system comprising the director of the village bank, a financial analyst and an accountant, in addition to two agricultural guides and a veterinary for each village, permanently residing in it.

The American party consists of two experts in each governorate, one of whom is a loan expert and the other an agricultural management expert. Each of them is joined by an Egyptian expert receiving training in the American expert's work tasks so that it will be possible to put them in the place of the American experts. There are also three Egyptian experts and an economic expert, Mr Ronnie G. Calhoun, who heads up the American party.

The project is directed by Eng Mahmud Nur of the Ministry of Agriculture.

Concerning the notion of the small farmer project, Eng Mahmud Nur said:

"Sixty-five percent of the farmland in Egypt is owned by smallholders whose property ranges from 1 to 5 feddans at the most. This proportion accounts for about 95 percent of Egyptian farmers. In the light of this situation, in order for it to be possible to achieve agricultural development, efforts must be concentrated on this class of small farmers, who own more than half the cultivated land in Egypt.

"Experiments have proved that if we apply the results of the research the Ministry of Agriculture has carried out in participation with America, we can increase our agricultural and livestock production by 30 to 200 percent.

"However, in order for us to get these results from small farmer landlords, they will need financing and agricultural guidance.

"This will require the development of both systems together so that they will be able to play an effective role in serving farmers and the society.

"If we look at the financing process, we will find that the bank annually allocates 300 million pounds to all farmers as subsidized loans to buy required accessories in the form of fertilizers and insecticides. If we compare this sum with the land area farmed in Egypt, which is 6 million feddans farmed twice a year, that is, about 11 million feddans, we will find that the per feddan share of subsidized loans comes to just 30 pounds a year per feddan while we find that they are getting 50 pounds in subsidies per feddan.

"Consequently, it is apparent that the peasant needs 1,000 pounds a year from the village bank. Meanwhile we find that the least costly crops need no less than 180 pounds per feddan.

"Wheat, which is the least expensive crop to cultivate, needs 180 pounds per feddan, excluding harvesting costs.

"Seven hundred pounds are needed to cover the requirements of agricultural accessories for tomatoes and livestock fattening and growing.

"Meanwhile, we find that we have 500 farmers in each village bank in the 750 village banks throughout Egypt, that is, that the farmers need 4 million pounds a year to cover their loan requirements.

"It has become apparent that this problem can be solved only in two ways:

"First, by giving farmers subsidized loans, while observing that they represent a burden on the government, since it defrays a percentage of the interest paid on the loans to the foreign banks it is borrowing from, while the peasant defrays a small share of this interest.

"This method is expensive and cannot be expanded because every piaster the government pays to farmers in this manner is considered a debt it has to pay back.

"Second, by granting unsubsidized loans, which are loans the bank gives directly to farmers through the village banks or ordinary banks.

"However, these loans need something which will guarantee that the debt will be paid to the bank, and small farmers do not have anything with which to guarantee their loans; it is for this reason that the development which has occurred in the financing system has taken place, since farmers have been made able to borrow what they need from village banks without collateral.

"There are, however, moral guarantees. These are represented by:

"Confidence in the farmer's ability to work, his activity and his ability to produce and study the idea behind the project he will carry out with this loan and guarantee that the project is carried out for the purpose for which the peasant took out the loan.

"This method will allow the peasant to carry out all projects and activities which will result in increasing his production and consequently increasing his income. It will also make the process of receiving agricultural and livestock equipment and accessories at the right time easy and free of procrastination or delay as far as he is concerned.

"With respect to the government, we find that its production of various crops has been increased as a result of the increase in production per farmer and that the government has not defrayed any burdens or other subsidized loans.

"The peasants are granted these unsubsidized loans through the village bank, since that has been found to be the most suitable system for carrying out this task, as there is a direct link between it and the farmers, although that comes after the bank employees have been trained in the new operating system, since the process of giving out loans without guarantees requires training in a group of tasks, such as the analysis of loans, the study of costs and revenues from loans and loan payment dates. The bank must choose the proper timing for the payment of loans.

"If we look at the agricultural guidance process, we will observe that a substantial development has occurred in it, in that the farmer has been directed to the type of crop which is in keeping with his type of land, experimenting with optimum farming methods and following specific instructions to help increase his production.

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"Agricultural guidance has succeeded in winning small farmer landowners over to the process of combining farmland, in the sense that farmlands that adjoin one another should be farmed with the same crop. There are a number of advantages to this process, which may be summarized as follows:

"1. It saves effort for people providing the guidance and researchers, since it facilitates the process of supervising the farmland.

"2. The process of combining land helps bring machines of greater competence and power into most of the various agricultural activities, since we find that the use of machinery in small areas causes losses. In addition the process of combining land has hastened the introduction of technology into the area of agriculture.

"Agricultural guidance also has the object of increasing livestock output as well; a number of methods have been devised which have resulted in a doubling of livestock output."

#### The Role of Egyptian Peasant Women

Eng Mahmud Nur said, "In addition to all the activities the small farmer project has carried out in the realm of agricultural and livestock development, it has supported the role of Egyptian peasant women in the process of development, since I consider Egyptian peasant women to be one of the greatest productive units in our Egyptian countryside.

"Therefore the project has assigned numerous roles to Egyptian peasant women, one of the most important of them being the egg production process. If we look at this process, we will find that we are giving each peasant woman a poultry battery which is furnished with 96 chicks, and we supply them with poultry and offspring 4 months old, since the process of producing eggs starts after just 15 days. The peasant women assume charge of the egg production process, providing the poultry with water and fodder and collecting the eggs every day.

"We find that this method has numerous advantages, among the most important of which are:

"First, it assigns a role to peasant women in the village development process.

"Second, it helps produce eggs at extremely low cost and keeps the land from being turned into poultry farms. Therefore, the price of eggs using this method does not exceed 8 piasters, while it comes to 10 piasters in the large incubators. Finally, after the success the small farmer project has realized in the three governorates, the Ministry of Agriculture has agreed to extend the project to seven other governorates, the Governorate of Kafr al-Shaykh, the Governorate of al-Gharbiyah, the Governorate of al-Minufiyah, the Governorate of Giza, the Governorate of Bani Suwayf, the Governorate of al-Fayyum and the Governorate of al-Daqahliyah."

Mr Muhammad Sa'id said, "When we started executing the project in 1981, the peasant did not have sufficient awareness. He believed that since the project was a joint Egyptian-American one, he would be able to get the loans he wanted and would not have to pay them back, believing that they were aid which was not to be paid back.

"However, now, after 3 years of the project have elapsed, he now has an awareness and understanding of the nature of the project -- indeed, he now has the ability to calculate the profit and loss that he can realize from the loan.

"He also calculates the rate of interest imposed on the loan. The Egyptian farmer is considered to be one of the shrewdest in the world."

Dr Wajih Yusri Riyad, advisor on vegetable production and cultivation in the project, said:

"The introduction of modern agricultural methods in the vegetable area has led to a high yield with high quality and high income for the farmer.

"Among the achievements the project has made in the area of vegetables, we can observe that per-feddan production of tomatoes has come to more than 30 tons a year, while the average per-feddan production in all of Egypt is no more than 5 or 6 tons. This has been done by using new high-production strains according to the recommendations and results of the research of agricultural experts in Egypt. We find that the rate of the increase in production ranges from 100 to 300 percent.

#### Tomatoes under Small Plants

"The project will start to put into effect the notion of tomatoes under small plants, that is, the cultivation of tomatoes under transparent plastic canopies to protect them from the effect of frost and various temperature fluctuations, in order to produce high-quality small plants.

"By this method, I will be able to eliminate the effect of various temperatures on crops and obtain tomatoes in April, August and early September, while we find that no tomatoes are produced at such times through ordinary farming.

"This causes me to be able to solve the problem of tomatoes and realize a high income for the peasant."

Dr Zakaria Rifa'i, the plant resistance advisor to the project, added, "The subject of plant resistance is considered one of the most important of those preoccupying the Egyptian farmer. There are two ways to resist plants:

"First, the manual method, using workers; it is known that there is a shortage of agricultural labor at present and that its wages have risen insanely.

"Second, using chemical pesticides, which are distinguished by ease of use and a high level of plant resistance.

"In addition to the low costs in comparison with farm labor, the project chooses modern pesticides in suitable quantities and determines the optimum timing for spraying, so that it will provide the maximum level of plant resistance while guaranteeing the safety of the existing crop.

"The use of these pesticides will result in killing plants which compete with crops for food elements, light, and the acquisition of space in the soil.

"In addition, these plants harbor pests which move from them to the crops, as a result of which the latter are eliminated."

FORMER PREMIER SCORES AMERICAN SUPPORT FOR AL-QADHDAFI

London AL-DUSTUR in Arabic No 352, 10 Dec 84 pp 11-13

Article: "A Letter from Al-Bakkush to Reagan: America Is behind the Colonel!"

Text This letter, of which AL-DUSTUR has obtained the Arabic publication rights, is one of the most serious of the documents presented in English at the Schiller Institute conference held last week in Washington on the occasion of the 225th birthday of the great poet.

The importance of this letter, which 'Abd-al-Hamid Bakkush, the former prime minister of Libya, sent to American President Reagan and the American administration through the Schiller Institute conference, whose goal is to give different views of American policy toward the world, relies on the principles of the first American revolution as embodied in Schiller's writings. The importance of this letter, which the case of the assassination attempt against al-Bakkush prevented him from reading himself at the international conference, which was attended by about 1,500 intellectuals from all areas of the world, lies in its addressing the American administration unequivocally and attempting to form an articulate voice opposed to the American political orientation toward Libya and part of the Arab region in particular and the third world in general. Here is where its seriousness lies. It is related to the American role in encouraging the phenomenon of coups and preventing the development of the democratic experience in the Arab nation. This makes it an indictment in the first place.

Al-Bakkush's Letter

I acknowledge that it is not my right to dictate foreign policy to any government. Therefore, I hope to inform the governments of the free world of a point of view which comes from me personally in my capacity as a former prime minister of a country which belongs to the third world, Libya, and in my capacity as a person who occupied the seat of power for a period of time and lived close to the events of the region and the world most of the time. I will concentrate my statement on the position of successive American administrations and Western European governments toward the dictatorial regimes which govern the third world, especially the one which now governs my country (Libya).

I would like to state, here, that I am not directing an accusation against the American administration or any European government for bearing the responsibility for the military coup in Libya or other countries, because this issue is a totally different matter. Nonetheless, I have no doubt that these governments are to varying degrees responsible for the phenomenon of military coups and dictatorial regimes and for their survival. When I talk about Libya I find that my statement includes the Arab region and the whole third world. Libya is part of the Arab nation and a country belonging to the third world.

Today the third world, including the Arab countries, is going through a period of anxiety, disruption and instability where most of them are dominated by harsh military regimes. Although our media in the third world talk to excess about freedom, democracy and economic prosperity, we among all the countries of the world are the ones that suffer the most from tyranny, poverty, repression and alienation, in a manner which may in some way exceed most of what the countries that have Marxist regimes suffer from.

Most countries of the third world, after World War Two, demanded freedom and independence and viewed the colonial European armies' departure from their territories as a liberation from slavery and an unrestrained opening of the gates of democracy, freedom and economic development.

As a result of our people's struggle and the awakening of human conscience, most of these countries received their national independence and produced national governments which were lacking in experience and wisdom. Little time passed before the processes of taking power by force in the form of military aggressions carried out by a number of people who truthfully or hypocritically claimed to have come to uproot the leftovers of colonialism, liberate the people and build the nation's economy began. The experience led to proof that our people had been deceived and that dictatorial regimes in our countries had become more vicious and destructive than any foreign rulers we had known.

This is because when the countries of the third world called for independence, they had the goal of achieving the following:

First, a civilized, organized national regime with institutions that ruled by law and were run by authorities chosen by the majority of the people.

Second, economic development which would exploit their natural and human resources.

Third, freedom for everyone and respect for civil rights.

Fourth, a just distribution of incomes among the various classes of society.

What, then, happened after World War Two? The colonial nations evacuated the countries and were replaced by nationalist regimes, and the people started to engage in their own experiment. However, they quickly found

themselves without freedom. The nationalist rulers or foreigners were replaced by new rulers representing military or quasi-military dictatorships ruling through military groups, seeking ways and means to eliminate freedom and democracy and engaging in killing, terror, the destruction of the domestic economy and education and the corruption of social life. Thus dictators came to be replaced by other dictators by recourse to violence by coups carried out at night while the people were sleeping. The important question is, why were the national hopes and aspirations for freedom, independence and development thwarted? To what extent do American administrations and European governments bear the responsibility for that?

I am convinced that the issue of frustrating the attainment by peoples of the third world of stable democratic regimes lies in the circumstances these peoples faced. They emerged from direct European colonialism poor, failing to exploit their resources and lacking in personnel qualified to bear the burdens of government and development. If the colonial governments did not exercise any efforts to prepare them for independence when they learned of their rights to it, that is a matter which is tantamount to putting history on trial, and I do not want to do that.

It would have been possible for the peoples of the third world to proceed along the road of democracy, freedom and development, pass through various stages of development and realize prosperity and freedom, or to carry out the revolution themselves against their conditions and rulers, had it not been for these arbitrary acts which were perpetrated against these people by military coups and foreign conspiracies. Unfortunately, the Marxist countries helped encourage these coups and hastened the corruption of the new despotic rulers, for the sake of gaining influence over the countries of the third world at the expense of the free countries. However, since the United States became the main power behind Western policies, following World War Two, in the wake of the diminution of the European empires, we found coups taking place by the times, places and methods the Soviets chose in their struggle for zones of influence. When Europe was divided into free democracies and Marxist states, stability was attained. The third world countries are the only ones which have continued to be an open arena for the struggle among the great powers; Marxism rapidly encouraged the elimination of regimes loyal to the West while successive American administrations waged cold war, with the instruments the Soviets used, indeed, raced with it to encourage military and quasi-military coups, as well as embracing the people who had taken power. Nonetheless, the American administration did not distinguish between the leader of one coup or another, merely contenting itself with a single criterion, his foreign policy. The people who evinced hostility toward the Soviets they received with a welcome, whereas those who were friends with them they considered enemies. Thus vision was restricted to direct results and permanent neglect of the future. Through encouragement by the United States and its embrace of non-Marxist dictatorships which perhaps exceeded Marxist regimes in viciousness, the way was paved for terror and injustice, the threat against freedoms, the manipulation of the laws, the alienation of peoples, the launching of local wars, the misuse of resources and the spread of poverty and backwardness to dominate.

The American administrations and the governments of Western Europe which followed in their steps were distinguished by indifference to the values of human civilization, secret encouragement of the dominance of injustice over the peoples of the third world and mutual friendship with terrorist regimes. The effort to justify these policies by not interfering in the internal affairs of other countries resulted in the support of dictatorial regimes and the emergence of other similar regimes. We ask ourselves, what has been the West's contribution in spreading liberal democracy among the countries of the third world? When has it confronted vicious destructive regimes?

That has happened in very rare cases, and this led to mutual assistance among third world dictatorships which were run by authoritarian regimes, because they were regimes which by their nature had formed alliances against freedom and democracy. The American administrations has known of this result for a long time. The truth is that the American administrations are not the only ones which act in this manner. Most European governments have behaved in a manner serving the policies of the dictatorial countries in the third world and the interests of the rulers of these countries. For example, I can mention what France did when it intervened in Chad against al-Qadhdhafi last year by supporting the government of Chad, then withdrawing at the first available opportunity without solving any problems. Why then did it intervene in the first place?

I am not asking the United States or any other country to declare war against tyrannical governments. Nonetheless, I am asking them not to embrace them or encourage them just because their policies differ from those the Soviet Union is pursuing. I am wondering where these values which the people who founded the United States implanted are, and where the American declaration on human rights and all these models which inspire wonder are. They have been blinded by short-term interests; when the American administration carries out a serious act it quickly hides it and is filled with embarrassment. The governments of Western Europe have become accustomed to ignore the policy of terror and subjugation which the dictatorial countries of the third world engage in, and the European teams compete to satisfy every dictator who buys arms and food, ignoring his crimes for the sake of economic interests. The government of Great Britain dealt rather leniently with the assassination teams al-Qadhdhafi sent to liquidate Libyans and non-Libyans abroad, and it accredited the people al-Qadhdhafi appointed as diplomats to his embassy in London although they had no credentials. The people they cleared committed acts of terrorism and fired shots from the embassy in London at the British policewoman and killed her.

Once again, I am not asking the countries of the free world to declare war against al-Qadhdhafi's regime in Libya or the likes of it. However, why this leniency, to the point where every dictator competes with the others to impose his will, when he knows in advance that the Western countries will quiet down in exchange for the conclusion of commercial transactions?

Although I cannot take a lenient attitude toward the violation of human rights and human values, I would understand the flexibility of the United States and Western Europe in dealing with dictators like al-Qadhdhafi were that to lead to their reform and moderation. It has been demonstrated in actions such as this that dealing tolerantly with the likes of them makes them more extreme and insane, and does not lead to economic benefits for the West. More than that, a feeling of bitterness dominates our people as a result of questionable deals such as the ones the West has concluded with our murderous rulers. Our people will not forget this when they are liberated from tyrannical regimes in the future.

Permit me to remind you of the American administration's positions toward al-Qadhdhafi's conduct in the Libyan and Arab context and in the context of the third world.

In 1979, the American administration welcomed Mu'ammar al-Qadhdhafi's coup, thinking that what had happened in Libya was a revolution carried out by the young generation. The United States had a substantial position in Libya at that time, which implicitly presupposed that it knew that the first of al-Qadhdhafi's goals was to liquidate young Libyans and prevent them from getting to power. Successive American governments helped paint the picture of al-Qadhdhafi as a mythical leader in the region. In withdrawing from its military bases in Libya, it performed the operation of a stage review, portraying him as a great national hero, and therefore blessed all his crimes, even those he committed against its embassy, which he burned more than once. When the United States decided to hold naval maneuvers in the Gulf of Sirte off the Libyan coast, challenging the will of al-Qadhdhafi, who considered that his territorial waters extended for a distance of 200 miles, and made a speech condemning these maneuvers, the Americans hastened to cancel them. The incident appeared as if al-Qadhdhafi had compelled them to do that. It also appeared that al-Qadhdhafi's influence had reached the White House when he became a friend of former American President Carter's brother and made him believe that he could rely on al-Qadhdhafi to free the American hostages from the grip of Khomeyni's men in Tehran. Indeed, he sought al-Qadhdhafi's mediation in the matter.

The policy of American governments, as you observe, ladies and gentlemen, this policy toward Libya, which represents a model of dictatorial regimes in the third world if not the worst of them, does not indicate the existence of any expertise which it has acquired through its relations with the governments of the third world. The Libyan coup took place after a number of coups in the region and, in spite of its democratic pretensions, has proved that it is an instrument for repressing the people. In spite of its relations with the countries of the free world, it has often formed alliance with Marxists and has stood up to the interests of the free world. In spite of all these experiences, the American administration welcomed al-Qadhdhafi's coup and blessed his desires at a time when it had a tangible military presence in Libya. Why, then, all this welcome? What was the reason for it?

It is true that Libya was granted independence in accordance with a United Nations resolution and was ruled from 1962 by a monarchical regime which in 1969 had failed to achieve the ambitions of the new generations which had been born and educated after Libya had obtained its oil revenues. These generations had not lived through the lean years of poverty and hunger in the first years of independence. However, an alternative regime to the monarchical one would have been a natural development toward greater democracy, not one based on a military coup, which in reality was a setback and an affront to the interests of the Libyan people, who had not known a single execution since 1952 but have experienced hundreds since 1969.

Today their rulers are spending oil revenues on military conspiracies everywhere. They have also stopped the wheel of the Libyan people's social and economic development, have organized conspiracies in all areas of the Arab nation and Africa and have made alliance with every terrorist in the region. Nonetheless, al-Qadhdhafi is depicted in the Western media as a pious, devout man, at a time when he kills his people at execution festivals which are broadcast live on television and indeed boastfully decides to liquidate his adversaries abroad.

Ladies and gentlemen, I would like finally to present some recommendations, which I am submitting to the American administration and the governments of the free world:

1. Not to encourage military coups and withdraw recognition from them until they offer guarantees on their respect for human rights and their establishment of a responsible authorities elected by the majority of the people in a civilized manner.
2. To confront dictatorships that exist in some countries of the third world politically and economically and through the media and condemn their repressive practices.
3. To put a limit to the race between the United States and the countries of the free world to obtain economic benefits as the product of their dealings with the dictatorships of the third world.
4. To invite the United Nations and use all means of persuasion to adopt and carry out the following:
  - A. Setting out criteria which all governments to be admitted to the United Nations must put into effect. The first of these criteria is that they must have the confidence of the majority of the people, who must in turn prove their ability to express their views freely, and whose government must respect human rights founded on free legislative authority and possess an independent judiciary system.
  - B. Forming an agency to evaluate the degree to which the present member countries of the United Nations are satisfying these criteria.

C. Confronting international terrorism and establishing an international court to try rulers who are responsible for the crimes of murder, terror and usurpation of human rights domestically and abroad.

D. Demanding all governments in the free world to facilitate the entry of refugees who are third world citizens and people fleeing from dictatorial authorities into their territories and permit them to express their views freely.

E. Demanding the governments of the United States and the free world to declare their condemnation of dictatorial regimes in the third world and reduce their political and economic dealings with these countries as far as possible, since it is not difficult, if we are sincere, to distinguish between tyrants and other people.

Ladies and gentlemen, the recommendations I have presented now may seem to be a flight of fancy, but let me dream.

Ladies and gentlemen, we in the third world are no longer concerned with economic and social problems, and we are no longer discussing the prices of raw materials and manufacturing materials with the industrial countries, because murders, incidences of torture, terrorism, arrests and banishment have diverted our attention from that. Imagine for a moment how I, personally, can think, as I see on television in my own country a group of persons belonging to the government hanging a citizen till dead without trial.

Finally, after these modest thoughts, I hope that my discussion will not be suppressed, and, if it seems as if I have spoken wisely, that is a sincere idea which I had wanted to offer on the positions of the free world in confrontation with the important problems in the third world. It is the cause of Libya which concerns me. This idea has been dictated by experience and has been filled with a large amount of pain and sorrow, and it might expose me to dangers whose extent is unknown. However, I have chosen danger over silence and have chosen to join those who have helped wage war against injustice, oppression and the usurpation of human rights most honorably and sincerely.

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SUDAN

BA'THISTS FLAY, CASTIGATE REGIME'S RIGHTS RECORD

London AL-DUSTUR in Arabic No 352, 10 Dec 84 pp 60-63

[Article: "Conferences: The Practices of the Sudanese Regime Are Exposed at the Sousse Conference"]

[Text] Mr Shawqi Malasi, the lawyer and secretary general of Amnesty Sudan, submitted a memorandum in the name of the board to the conference of the Federation of Arab Lawyers held in the city of Sousse, Tunisia, in the period 2-5 November 1984 and reviewed the most important of that memorandum's contents in the committee on freedoms and sovereignty of the law. In the same conference, Mr Malasi distributed the Sudanese Lawyers' Union memorandum bearing on the law on the judiciary body for 1984 and the memorandum of the Arab Socialist Ba'th Party (Sudanese Region) on the condition of political prisoners in the Sudan.

In addition to that, Mr Malasi told the committee on freedoms and sovereignty of the law what the repressive Sudanese authorities, inimical to freedoms and the sovereignty of the law, had done in the form of measures which resulted in preventing the Sudanese Lawyers' Union delegation from attending the conference sessions on schedule.

Herewith are the most important contents of the Amnesty Sudan memorandum:

Introduction of the board and its most prominent activities.

The most conspicuous arbitrary practices of the fascist regime from 1969 to the date of the submission of the memorandum. Among the most conspicuous of these were the arrest of the martyr Isma'il al-Azhari, the disappearance of the Imam al-Hadi al-Mahdi, the slaughter of Aba Island, the executions, bloody massacres and collective arrests of July 1971, the aggression against the independence of the union movement and its deprivation of the right to strike, Numayri's personal execution of the death sentence against a military figure on 17 August 1971 although the sentence had been changed to life, the submission of Palestinian guerrillas to trial (Black September) and their sentencing to death, the issuance of the state security law and amendment of the criminal procedures law, the suppression of the student and mass uprisings in August 1973 and December 1974, the arrest of a number of

Lawyers' Union members because they had opposed the regime's practices, the submission of 13 citizens in al-Ubayyid to secret military trial in 1974 on the charge of membership in the Arab Socialist Ba'th Party (Sudanese region), the execution of dozens in the 5 September 1975 movement and the imprisonment of many on a trumped up charge of racism, the execution by the regime of hundreds, the burial of many living persons and killing of others [by running them] under tank treads, the torture and imprisonment of many people after show trials regarding the 2 July 1976 movement, the terrorization, dispossession, termination and prosecution of hundreds of nationalist progressive unionists and citizens, the arrest of doctors and nurses, the arrest of primary school teachers, the arrest and dispossession of many people working in the accounting and banking field, the arrest of railway worker leaders and the threat to execute them, the arrest of many lawyers and jurists, constant infringements against the Lawyers' Union, the arrest of many judges, aggression against the principle of the sovereignty of the law and the independence of the judiciary, the arrest of many citizens in various areas of the country on the charge of belonging to the Arab Socialist Ba'th Party (Sudanese Region), the detention of a number of old and sick prisoners without treatment, the arrest and torture of women, the dissolution of the Union of Sudanese Journalists and the dispossession of its leadership, the codification of what is fraudulently called Islamic law, the punishment of weak persons, to the exclusion of others, by severance [of hands] and flogging, the declaration of the state of emergency and formation of emergency courts, the turning of the state of emergency into a permanent condition, and the pursuit of torture by electricity and other means against Ba'thist prisoners.

Following this, the memorandum moved over to talk about the conditions of political prisoners in the prisons of the Sudan. It pointed out that in Kawbar alone they come to 450, that there are political prisoners and detainees in al-Ubayyid, Madani, Port Sudan, Kaduqli, Babanusah, Juba, Malakal and Shala, that there are people who have been in prison more than 5 years, such as the journalist 'Atiq, and that there are prisoners who were previously tried and have spent their period of imprisonment but remain imprisoned, such as Yusuf 'Isa Barrah and Dr Murad. The memorandum also referred to the presence of a number of provisionally detained military persons, such as Lt Col Isma'il al-Jak Taha and Lt Col 'Abd-al-Ma'ruf, and stated that the detainees included the professor and national thinker Muhammad 'Ali Jadayn, accused of membership in the Arab Socialist Ba'th Party, and Mr Isma'il 'Abdallah Malik, one of the people who participated in armed action in the ranks of the Palestinian revolution.

The memorandum mentioned the filthy methods the security agencies resorted to in arresting relatives as hostages, collectively arresting families of prisoners and using the disreputable system of dawn visitors and qualitative methods of inspection (digging, tearing up mattresses, breaking furniture and so forth), as well as turning visiting days into days of torment for the families of prisoners and the prisoners themselves, and demeaning them by every means.

The memorandum also presented examples of forms of moral and material torture, which could be summarized in the following:

### Examples of Forms of Moral and Material Torture

1. Some political prisoners were subjected to vile forms of torture by the state security agency. In the most recent of these, American security officers present in the agency took part.
2. The prisoner Mahjub Ahmad Hamid was arrested in Kassala and brought to the State Security Agency in Khartoum, where he spent about 20 months in solitary confinement in the agency's dungeons while his family did not know where he was located, then was moved to Kawbar prison, where he remained in solitary confinement cells for people sentenced to death for a period of 2 months, in the course of all of which he was afflicted with partial paralysis of the face.
3. The State Security Agency reduced visits to prisoners to once every two weeks, after the prisoners went on a hunger strike for a period of 2 days starting 1 November 1983.
4. Most of the prisoners coming from Libya were arrested at the airport, and the security agency refused to inform their relatives and deprived them of necessary requirements such as clothing, soap and toothpaste.

### Housing and Living

The prisoners are housed in narrow, crowded sections, with more than 100 prisoners lying on the ground, with a small rug and a single old blanket. The people who were arrested after September 1983 have not even been provided with rugs or blankets, in spite of promises by the minister of the interior.

The prison authorities present two meals a day only. These are small in terms of quality and quantity, and there is a great shortage of utensils; the prisoners rely on family visits to make up for the shortage.

### Health Conditions

Prisoners are treated in the prison clinic. The doctor hands difficult cases over to the military hospital. However, they face obstacles because of deficiencies in the means of transportation, the shortage in the prison force needed to guard them and the Prison Department's failure to provide that, which causes a delay and slowdown in examination procedures and followup on treatment.

The great shortage of medicines because of the deficiencies in the ordinary resources of prisons and the absence of medicines in government pharmacies.

The long periods of imprisonment, along with malnutrition, cause specific illnesses, including poor eyesight, ulcers, hemorrhoids, malaria, rot, sinuses, allergies and so forth.

The narrow scope of the quarters in the prison does not even allow people to pursue exercise in the form of walking, not to mention other forms of exercise, which results in weakening the constitution of the prisoners and their ability to resist diseases.

In 1982 one prisoner from the southern region died as a result of neglect of treatment for kalazar .

In mid-1983, the prisoner Khalid 'Abdallah died because of poor treatment and a lack of health care, while he was on hunger strike.

The treatment of prisoners in the other prisons in the regions is worse and more arbitrary. This treatment, in some cases, has led to suicide, as happened in the Shala prison in the western Sudan, when the prisoner 'Abd-al-Majid Shakkak committed suicide by pouring gas over himself then igniting it.

Following the declaration of the state of emergency in April 1984, the security authorities launched a broad campaign against citizens on the charge of belonging to the Arab Socialist Ba'th Party (Sudanese Region), which had undertaken to expose and resist the regime and lay bare its concealment behind the masks of religion. Najm-al-Din Sa'id and 'Abd-al-Rahman Salah al-Mubarak were tried before Emergency Court One and were sentenced to 2 years in jail after they had been found guilty of belonging to that party; this furnished truthful evidence that the real goal of this announcement was not to fight corruption or to defend Islam or the nation but to perpetuate corrupt dictatorship and individual rule and strike out at the forces of the patriotic and nationalist progressive opposition.

The repressive practices of the regime in the south of the country against innocent citizens have exceeded all imagining. The butcher has not shrunk from killing and dispossessing women and children, burning down whole villages along with the people in them, dispossessing thousands, turning them into refugees in neighboring countries and turning the south of the country into an arena of vicious civil war.

#### The Regime and Torture

The dictatorial regime has turned torture into a continuous, organized practice since its first days. In this regard we can cite the following facts:

1. The regime, under the supervision of paratroop Capt Muhammad Ibrahim, known as al-Shayiqi, tortured prisoners in the Dabak detention camp in inhumane and immoral ways in the first days of the coup, after a coup attempt was unearthed.
2. The regime refused to allow the martyr Isma'il al-Azhari, chairman of the Democratic Unionist Party, to receive proper treatment and as a result he died a martyr's death.
3. The administrative surveillance agency, under the supervision of Maj Zayn-al-'Abidin Muhammad Ahmad 'Abd-al-Qadir, has continued to torture prisoners in the agency's building alongside parliament and in the green belt.
4. A number of citizens were killed and tortured in the green belt region then buried there. Capt Muhammad Ibrahim was the person responsible.

5. The regime's authorities, at the beginning, arrested the lawyers Jaknun and Muhyi-al-Din 'Awudah; the former was subjected to torture, which assumed the form of being chained on a table and left without food or sleep for a long period, in the military intelligence building in the general command.

6. After the 22 July 1971 apostasy, al-Numayri, in person, Khalid Hasan 'Abbas, Ma'mun 'Awad Abu Zayd, Zayn-al-'Abidin Muhammad Ahmad 'Abd-al-Qadir, Abu-al-Qasim Muhammad Ibrahim (the butcher of Aba Island), Col/M Muhammad 'Abd-al-Halim, Mu'awiyah Ibrahim Suraj, Ahmad Sulayman the lawyer, Dr Mansur Khalid, 'Umar al-Hajj Musa, Babakr 'Awadallah, and other dogs and myrmidons of the regime tortured the 19 July civilian and military leaders in orgies of capricious beatings, bayonet-stabbings and impalement on barbed wire. They pursued these activities while in a state of obvious drunkenness. The press of the Western world showed pictures of these acts at the time (PARIS MATCH and elsewhere).

7. Following the apostasy of 22 July 1971, on 17 August 1971, specifically, al-Numayri, in the company of the butcher of Aba, Maj Abu-al-Qasim Muhammad Ibrahim, visited the Kawbar prison where he terrorized and provoked prisoners and ordered that a sergeant be executed because he had refused to be treated contemptuously. He was executed at 1300 hours in the afternoon, although his death sentence had previously been changed to life imprisonment. On the same day, he also took charge of interrogating a number of prisoners and ordered that they be sent to solitary confinement cells set aside for people sentenced to death, known as naval cells. There they remained in solitary confinement reserved for people sentenced to death in the worst of conditions, and if they had not gone on hunger strike they would have remained for months or years.

This measure was totally in violation of the most basic laws and rules of justice and all prison regulations.

8. The number of people imprisoned during this period in Kawbar prison alone came to 6,000; they were deprived of the most basic rights, some of them continuing to lie on the ground, except for a blanket and mat, for a period of about 2 years.

9. After the 5 September 1975 movement, the security and intelligence agencies tortured the civilian and military accused persons in Khartoum and 'At-barah, using every inhumane means of torture, with the goal of obtaining confessions.

10. In the 2 July 1976 movement, thousands of citizens were arrested and hundreds were killed by being buried alive and hundreds of others [by being run] under tank treads. The various security agencies engaged in methods of torture which only Nazi detention camps had known, such as suspension from trees, beatings with whips, sexual assault, striking the feet with sticks and pulling, at group orgies in which the officer Safihah and the officer Muharram Shajarah played a prominent, active role; the former head of intelligence, Maj Gen al-Sirab Ahmad, was of crucial importance in this also.

11. It was established in the state security court which was formed to try 65 persons accused of working to bring down the regime, which began its activities on 19 May 1979 in Jabal al-Awliya', that al-Numayri's agencies of repression had tortured the accused by methods which were the same as those of the Iranian Savak. One of the most conspicuous of these was what is called the helmet. Maj Gen 'Umar Muhammad al-Tayyib, the chairman of the Nazi agency of repression, was compelled to admit and apologize, alleging that they were excesses and that he would punish the people who had committed them. However, these were just lies; the truth is that it was he who had given the order in regard to them.

12. Throughout the years in which the regime has continued to squat on our people's chests, the circumstances and conditions of the detainees have not improved; rather, they continued to go from bad to worse. The security authorities have pursued all forms of torture, psychological and physical, against them. Last year the prison authorities flogged some prisoners without any support from the law.

13. When the fighting men of the Arab Socialist Ba'th Party (Sudanese region) and the members of the Sudanese People's Grouping opposed the emergency law and the emergency courts, and their publications, posters and slogans filled the streets and walls of the capital and the cities in the regions, the regime, its president and agencies, shuddered with terror and hunting dogs set forth to imprison hundreds of citizens, following all the filthy methods for which they were known in this regard (visits at dawn, purse inspections and so forth), and engaged in different kinds of torture which the Sudan had not previously experienced.

We can give herewith a brief picture of some cases where citizens were tortured to obtain confessions or merely because they were accused by the security agency of being members of the Arab Socialist Ba'th Party (Sudanese region) or the Sudanese People's Grouping.

1. The pharmacist 'Uthman al-Shaykh was subjected to torture by continuous beating and by being hanged from the ceiling of the room, beaten on the legs and tortured by electric shock.

2. Bashir Hammad and a number of people who were with him when he was arrested were subjected to violent beating as soon as the security men burst into the place where they were present and tied them up while continuing to beat them, then took them to the office of the headquarters of state security, where the beating continued throughout the day, in addition to the torture, which was done by tying people's hands and feet to their backs and hanging their feet out the window of the room and their hands from the door to it, with the security myrmidons taking turns in the orgy of beating until the prisoners fainted, at which time they waited until they regained consciousness, in order to resume the beating. Then the orgies of torture would start with electric shocks, which would also continue until the prisoners fainted, then would resume when they woke up. These acts of torture caused Bashir Hammad to be afflicted with paralysis in his left arm from the shoulder to the fingers, in addition to wounds in his hands and feet, and his right hand started to fall at the least turn from the upper joint at the

shoulder. After that they left him without treatment from 18 May to 27 May, until the wounds healed. On 27 May the doctor prescribed a natural cure for him for a period of 3 weeks which was extended to a fourth week. During this period he spent 5 days in solitary confinement.

While he was in solitary confinement, a security officer came to him at 0200 hours in the morning, led him outside the cell and told him that he would execute him in the green belt.

3. Another group of citizens who belonged to a soccer club were subjected to arrest on 17 May 1984 and when they asked what the reason was the security men answered them by gagging them, beating them on the heads with rifle butts and ordering them to lie on the ground without moving for a period of an hour and a half. They were then moved to the general security buildings, along with four other citizens, where they were once again beaten, until blood flowed from their noses and mouths. They were then moved to guard posts which were shut up on all sides, where people could see nothing, and left without food or drink for a period of a whole day. After that, the interrogation began; a gentle style was adopted, with the encicement of studies in America, gifts of new cars and 2,000 pounds for them in the event they confessed. This was then followed again by beatings and kickings for a period, until the persons fainted, and then they were beaten again. When that was of no use, they were put on an electric torture instrument, and some of them, as a result of being beaten in sensitive areas, were given blows which caused them to urinate blood. When none of that was of any use, some of them were threatened with castration and they were released only after their guardians had undertaken to guarantee that they would not engage in any activity; otherwise the consequence would be that the guardians would be deprived of their rights and released from their jobs.

4. The agencies of repression did not even shrink from torturing women by beating, kicking, hanging and torture by electricity. The security agencies arrested and tortured Miss 'Awatif 'Abd-al-Rahman, a student at Cairo University, Khartoum branch.

For this reason we have urged, and do urge, all parties, political, union, professional and scientific bodies and organizations, and honorable people who are struggling for the sake of freedom, progress, peace, human rights and the sovereignty of the rule of law in the Arab nation, Africa, the Islamic world, and the whole world:

1. To condemn and deplore the arbitrary repressive measures of the dictator Numayri's regime.
2. To demand that the unremitting acts of torture in the Sudan against people accused of membership in the Arab Socialist Ba'th Party (Sudanese region) and others stop.
3. To demand that all detainees, political prisoners, union men and military men in the regime's prisons be released.

4. To declare total solidarity with the detainees and the national and patriotic movement in the Sudan in the struggle for the sake of regaining basic and democratic freedoms by all the means available.

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SUDAN

BRIEFS

DEALS WITH AL-KHASHUQJI--President Ja'far Numayri has asked the international middleman 'Adnan Khashuqji to help him liquidate the Sudanese opposition abroad, especially in London. Al-Khashuqji has promised Numayri that he would take the necessary steps, and he did in fact submit the name of a well known intelligence figure who was working in the service of American Central Intelligence and is now working in the service of al-Khashuqji, and a meeting took place between that person and al-Numayri. It is worth mentioning that AL-DUSTUR had previously referred to al-Khashuqji's involvement in a similar scheme in a previous issue. A responsible source in the Sudanese opposition, represented by the Sudanese People's Grouping (the United Kingdom branch), described the scheme as having been exposed, and pointed in the same conspiratorial direction as that of Mu'ammar al-Qadhafi against the opposition and its organizations abroad, especially in the United Kingdom. The source added that the opposition gave warnings to everyone who had a part in this conspiracy. In another area, AL-DUSTUR has learned that the ambassadors of European Common Market countries accredited to the government of the Sudan offered a joint report to their countries containing a recommendation that it was necessary to bring an end to al-Numayri's regime, which now constitutes a burden on the West, and to replace it with an alternative which will reassure Western interests and pave the way for a domestic and national progressive alternative. AL-DUSTUR has also learned that a copy of the report was handed to the American ambassador in Khartoum, who presented it to his government, which agreed with its contents but considered it necessary to pause at the present time until a suitable alternative is arranged, while settling for supporting al-Numayri's regime within limits agreed to previously. [Text] [London AL-DUSTUR in Arabic No 352, 10 Dec 84 p 4]

KHARTOUM TRIAL--Criminal Court One in Omdurman, under the chairmanship of Judge al-Mukashifi Taha al-Kabashi, has continued its sessions in review of the trial of five Sudanese citizens on the charge of participating in activity of the Arab Socialist Ba'th Party, which is opposed to the government, under Article 105 of the Sudanese penal code, Articles 19 and 20 of the state security law and Article 5B of the emergency bill. At the session held on the 29th of last month, the case on the indictment was closed; its hearing had taken a number of sessions and was postponed for 2 weeks, so that in that period the defense witnesses whose names the defense board had

presented to appear at the court sessions would be announced. AL-DUSTUR in its previous issues referred to the start of the trial and disclosed a document which the Arab Socialist Ba'th Party had issued on the conditions of political and trade union prisoners, the methods of torture which a number of citizens brought to trial had been subjected to and the names of the state security agency people who had engaged in the torture. It is worth pointing out that the state security law which in some articles can try accused persons is an exceptional law, and the effort to abrogate it continues to represent an important aspect of the activity of the democratic and political forces in the Sudan. [Text] [London AL-DUSTUR in Arabic No 352, 10 Dec 84 p 3]

CSO: 4504/136

LIFE OF PRISONERS IN IRAN CONTINUES TO BE ENDANGERED

London AL-DUSTUR in Arabic No 351, 3 Dec 84 p 16

[Article: "Life of Iraqi Prisoners in Danger"]

[Text] Iraq has declared that the life of Iraqi prisoners in Iran is threatened with the danger of death, has urged world public opinion to do all it can to insure that these prisoners are treated humanely and are protected and has appealed to the international community to intervene to end this Iranian barbarism. This has been stated at a press conference held by Latif Nasif Jasim, the Iraqi minister of culture and information, and attended by a large crowd of Arab and foreign journalists and correspondents of the Arab and world news agencies.

The Iraqi minister said that the Iraqi prisoners are subjected to the ugliest forms of psychological, physical and moral torture, to the danger of poisoning because poisonous substances are injected into their food and water and also subjected to solitary confinement by the Iranian regime. The Iraqi minister distributed a message by Alexander Hay, the head of the International Red Cross Committee, on the Iranian regime's violations of the Geneva convention on the treatment of war prisoners. The minister also distributed copies of a report prepared by the Iraqi government on the issue--a report for which the government has obtained the information from its private sources, from disabled prisoners exchanged recently and from the prisoners who have escaped captivity and returned to Iraq. Alexander Hay's statement says, according to the Iraqi minister, that Iran has exposed 50,000 prisoners to the danger of death and to psychological and physical torture. The report also says that one of the means used by Iran is to divide the prisoners into sectarian groups according to their religions--Sunna, Shi'a and Christians--with the aim of altering their loyalties. Jasim also said that the Christian Iraqi prisoners have been forced to abandon their religion and to adopt Islam by force in accordance with the Shi'ite sect. The minister added that another means used by the Iranians is that of solitary confinement, of separating the officers from the soldiers and of separating friends from each other. The minister further said: The Iranians have inserted members of the lackey al-Da'wah Party among the prisoners to spy on them and to write

reports on each of them. He added that the captured Iraqi flying officers have been threatened with trial as war criminals even after the war because of the pilots' effective role in the war, that the prisoners' letters have been concealed and that the prisoners are prevented from receiving their mail with the aim of winning their loyalty and of using the various means of psychological warfare against them to force them to support Khomeyni and to cheer against Iraq. The minister also noted that the prisoners are forced to perform extremely hard labor, including unloading big trucks throughout the day and even at night while being given only one meal daily. Jasim added that other means used against the prisoners include inserting caustic substances in their mouths, subjecting them to electric shocks and even shoving shoes in their mouths to denigrate them and humiliate their military honor, as well as assaulting some of the prisoners sexually to destroy their morale and weaken their moral deterrence. The Iraqi minister added that the Iraqi government decided to distribute copies of the Red Cross report and of the abovementioned Iraqi government report on the prisoners to the international organizations, especially to the United Nations, the Islamic Conference Organization, the Arab League, the nonaligned movement, the press, intellectuals and to all the good people in the world so that they may take the humane position which man living at the end of the 20th century and in the age of progress must take in the face of the Persian barbarism which was not experienced even in the Middle Ages. The minister also urged the world press to expose the Iranian violations and Iran's contravention of the treaty on prisoner treatment which was concluded by the world's countries in Geneva and to familiarize world opinion with the violations committed against the Iraqi prisoners. He said: We urge all the international and humanitarian organizations, the intellectuals and the media people in the world to rise against the wave of barbaric acts perpetrated by Iran, which claims falsely to be Muslim, against the Iraqi prisoners. He further said that in case these criminal acts perpetrated by the Iranian Government go without facing an international or human deterrent, then this would constitute a very serious precedent in the history of the international organization and in the entire modern history.

It is worth noting that the International Red Cross Committee has suspended all the activities of its officials in Iran as of the time when Iran opened fire on the Iraqi prisoners in Jurjan Camp, killing a number of them.

AL-DUSTUR published exclusively the details of what occurred in this camp in its edition of 12 November 1984. The publication of these details evoked major Arab and international reactions, as well as reactions inside Iraq.

Latif Nasif Jasim urged all the signatories of the Geneva treaty concerning war prisoners to exert pressure on Iran to make it observe the provisions of this treaty.

The Iranians have surrounded the sites where the prisoners are located with fences and have put signs on the gates of these prisons saying "infidels prison" and "atheists prison," as well as other signs intended for humiliation and which are incompatible with the principles of Islam which Khomeyni and his regime's leaders claim to be embracing. Moreover, Muhammad Baqir al-Hakim, who has been convicted by Iraq for spying, leads a campaign against the prisoners. One of the escaped prisoners has said that a captured colleague of his spat in al-Hakim's face and cheered for President Saddam Husayn's long life, which angered a camp guard who shot and killed this prisoner. In Tehran, Iranian Prime Minister Mir Hosein Musavi has said that the International Red Cross Committee must change its policy before it is permitted to resume its activity in Iran. This is an obvious attempt to force the committee to stray from its fundamental principles. Iran has also accused the Red Cross Committee of spying for Iraq!

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BANK ISSUES JULY FINANCIAL STATUS REPORT

Beirut AL-NAHAR in Arabic 1 Aug 84 p 7

[Text] The Bank of Lebanon yesterday issued a report on its financial status at the middle of July, as compared to the bank's status at the end of June.

1. The figures on "Currency in Circulation" in the liabilities column dropped by 80 million pounds, in contrast to an increase of 115 million during the second half of June. Furthermore, the figures on "gold and foreign currencies" listed as assets, dropped by 65 million pounds.

This relatively limited loss of ground is due to seasonal expense fluctuations and does not lend itself to any significant interpretation.

2. The "public sector loans" figures listed as assets dropped by 932 million pounds. These figures represent outstanding state debts to the Bank of Lebanon. Public sector loans had last month risen to 1,274,000,000 pounds.

This drop resulted from the state's partial settlement of the loans after having achieved a surplus by way of the subscriptions to the treasury notes that followed an increase in the interest rate paid on these notes.

3. The "public sector loans" figures listed as assets dropped by 166 million pounds, this being the largest drop since the beginning of last February.

It seems that some banks have settled loans due to the Bank of Lebanon-- loans whose settlement the bank had exclusively requested in order to face abnormal circumstances.

4. The figures on "other assets and debtor accounts", listed as assets, rose by 217 million pounds, thus taking the Bank of Lebanon into the discount market in the first half of July, with the bank purchasing dollars to avert a sharp dollar drop on the day following the implementation of the security plan.

In fact, these purchases were later followed by sales, a matter shown in the statement to follow.

5. The "deposits on demand" figures listed as liabilities dropped by 947 million pounds. These figures mostly represent the free and obligatory reserves of banks deposited with the Bank of Lebanon.

This loss of ground in the liquidity of banks is due to the banks having oversubscribed to the treasury notes with amounts higher than those to which they were entitled.

6. The figures on "other deposits" listed as liabilities dropped by 70 million pounds.

7. The figures on "accounts payable" listed as liabilities rose by 151 million pounds.

The following is a "Concise Status Report" on the Bank of Lebanon:

Assets	dated 15/7/84	dated 30/6/84
1. Gold and Foreign Currencies	5,714,414,725.27	5,779,104,658.16 5,779,104,658.16
(Article 69 of the Monetary and Lending Law)		
2. Public Sector Loans	6,504,471,121.29	7,436,723,327.95
3. Private Sector Loans	867,138,070.07	1,033,441,243.97
4. Loans under Article 40 of Law 28/67	290,841.13	290,841.13
5. Other Assets and Accounts Payable	6,488,280,513.15	6,271,664,978.75
Total	19,574,595,271.01	20,521,225,049.96

**Liabilities**

<b>1. On Demand Commitments</b>		
a. Currency in Circulation	7,143,014,995.60	7,223,877,184.93
b. Demand Deposits	5,728,246,546.89	6,675,319,562.51
	12,871,261,542.49	13,899,196,747.44
<b>2. Other Deposits</b>	4,356,231,776.37	4,426,299,235.02
<b>3. Capital</b>	15,000,000.00	15,000,000.00
<b>4. General Reserves</b>	843,480,297.35	843,480,297.35
<b>5. Other Accounts Payable</b>	1,488,621,654.80	1,337,248,770.15
<b>Total</b>	19,574,595,271.01	20,521,225,049.96

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BANKS SUSPICIOUS OF TREASURY NOTES

Paris AL-MUSTAQBAL in Arabic No 406, 1 Dec 84 pp 59-60

[Article: "Why Do Lebanese Banks Refrain from Subscribing to Treasury Notes"]

[Text] The tempest of currency trouble which hit the Lebanese pound last October and which has not subsided yet has produced a number of currency and financial phenomena linked to and emanating from this tempest. It is feared that if these phenomena persist, they will put new pressures on the pound.

The most important of these phenomena which emerged as of the end of August and which have continued until the present is the phenomenon of the Lebanese banks refraining from subscribing to the treasury notes which the state issues weekly and on which it relies for two things:

To finance the treasury deficit on the one hand to absorb the liquidity from the banking apparatus on the other hand.

The figures and statistics published by the Bank of Lebanon demonstrate the following:

1. The total value of the regular and special treasury notes in circulation by the end of August amounted to 19,715,900,000 pounds and dropped by the end of September to 17,125,800,000 pounds, declining by 2,590,100,000 pounds.
2. Last October, subscription to the treasury notes dropped by 435.5 million pounds, with the sum due payment [for mature notes] amounting to 2,693,500,000 pounds and the subscription amounting to 2,258,000,000 pounds.
3. In the current month of November and by the middle of the month, the drop in the volume of subscription to the notes amounted to 324.5 million pounds.
4. Thus, the total drop in subscription to the notes in circulation amounted in 2.5 months (from September to the middle of November) to 3,350,600,000 pounds.

This drop in subscription to the treasury notes, which has accompanied the decline in the pound's exchange rate, has occurred even though the currency and financial authorities have offered a number of incentives, including:

Raising the interest paid for the notes from 14.5 percent to 15.5 percent for 3-month, 6-month and 1-year notes.

The Ministry of Finance's recent reduction of the note value from 10,000 Lebanese pounds to 5,000 Lebanese pounds to encourage those who save in banks to subscribe to the notes whose interest is paid in advance, thus making the actual interest rate exceed 17 percent.

Moreover, the banks' refraining from subscribing has occurred despite the continued presence of the unsuitable elements and circumstances [for investment in other spheres].

What has been the result of the drop in the volume of the treasury notes in circulation?

The state, which relies on borrowing from the internal market to finance its spending, has been forced, as a result of the banks' refraining from subscribing and of the state's obligation to pay the value of mature notes, to resort to the Bank of Lebanon and to increase its direct borrowing from this bank in accordance with the agreement concluded between the two sides.

The matter is not confined to this point. The borrowing from the Bank of Lebanon, though increased, has remained less than the drop in the banks' subscription to the treasury notes, thus forcing the state to use its share of the currency profits of the Bank of Lebanon, a share amounting to 500 million pounds, in addition to its withdrawals during the year.

There is no doubt that these complications produce the following:

1. Borrowing from the Bank of Lebanon entails severer inflationary factors than those entailed in borrowing from the banking apparatus. In the second case, monies already existing in the market are siphoned out at once only to be re-pumped into the market gradually. But in the second [presumably meaning the first] case, additional monies are pumped into the currency mass through what is called "banknote printing," thus increasing the volume of the currency mass and, consequently, increasing the inflationary pressures put on the pound.

2. The state's use of its share of the currency profits of the Bank of Lebanon has its major inflationary perils, considering that the withdrawal of these profits, which accrue as a result of the rise in the dollar price, are re-pumped into the market to cause additional rise in the dollar price, which is what the government is ceaselessly trying to avoid.

3. These inflationary pressures are added to the pressures emanating from the increase in liquidity in Lebanese pounds available to the banks--an increase amounting to 3.3 billion pounds, as already noted.

#### Causes

If these are the consequences of the banks' refraining from subscribing to the treasury notes, then what are the reasons for this abstention?

It is indubitable that there are several factors behind this abstention, the most important being:

1. The continued turmoil in the general political situation, embodied in the cabinet differences that have existed since the formation of the cabinet and that have intensified recently, motivating a number of ministers to boycott the cabinet sessions. As if this is not enough, the security eruption has returned to Beirut and some of the mountain axes and Lebanon has again come face to face with the military negotiations with Israel.

This situation has motivated the banks to proceed cautiously in investing in the treasury notes, despite the resources available to liquidate [cash] these notes from the Lebanon Financial Company, and has caused the banks to decide to maintain a larger liquidity margin in order to meet the demands and any eventualities.

2. The truth is that maintaining this margin of liquidity is not intended to meet the likely cash withdrawals because it has been proven that the rush for bank safes has not materialized even under the most difficult circumstances. So why maintain this liquidity?

It is evident that the banks maintain this liquidity to face the demands of the troubled currency market.

What confirms that most of the additional liquidity available to the banks is channeled toward speculation, i.e. toward the purchase and sale and then the re-purchase of the dollar, is the rise in the interest rate for the pound [exchanged] between the banks (inter-bank loans). This interest rate has risen to rates ranging from 21-25 percent. Since the beginning of this month, the inter-bank market has been characterized by tension, i.e. by the presence of demand for the pound without any counteracting supply. Under ordinary conditions, the increase in liquidity was limited and led to an automatic drop in the inter-bank interest rate whereas it seems at present that the increase in liquidity is coupled with a rise in the interest rate. This shows that the banks are maintaining this liquidity for themselves to use it in speculation. It also shows that the liquidity is centered in several banks, as evidenced by the fact that other banks are expressing a demand for Lebanese pounds.

Therefore, it seems that the measures taken to bolster the pound have not firmly persuaded those dealing in pounds and have not prevented the banks from carrying on with their speculation.

When the Bank of Lebanon intervened in the currency market, selling dollars to siphon out pounds, the banks made up for this intervention by refraining from subscribing to the treasury notes.

#### Solutions

In view of this, what is the way to break away from this vicious circle and how can subscription to the treasury notes be boosted anew?

It is certainly difficult for the government to raise the interest for the notes any higher because of the negative impact of such an increase on the debit [loan] interest rate which is draining the various sectors. Therefore, other means had to be sought. Some of these means have already surfaced and others are under study.

The well-known means to which the government has resorted has been embodied in reducing the value of the treasury note from 10,000 to 5,000 Lebanese pounds to broaden the base of savers capable of subscribing through the banks.

But this step cannot bear fruit unless coupled with an information campaign directed by the Bank of Lebanon and using the various means to enlighten the savers, most of whom are unaware of their ability to subscribe through the banks. They must also be enlightened as to the high interest rate which they will be collecting and which cannot be matched by the banks where the maximum interest rate does not exceed 13.5 percent. The citizen must also be made aware of the fact that investment in the treasury notes does not entail any risks because the state is capable and present and can still inspire trust and security.

As for the undeclared means which is under study, it is embodied in exerting efforts with the expatriates working abroad to contribute to bolstering the currency situation by subscribing to special note issues. This means achieves two objectives simultaneously: securing subscription on the one hand and attracting investments in hard currency from abroad on the other hand.

But this means requires efforts and coordination between the state and the economic organizations and requires a conference that includes influential financial leaders working abroad.

Will the state be able to motivate the resident saver to subscribe to the treasury notes, thus taking him out of the game of speculation in which he is involved daily and where he burns his fingers?

Will the state be able to motivate the expatriate to subscribe to the notes, thus helping to save the state as a whole instead of helping this or that sect?

There is no doubt that the answer to these two questions depends on the extent of the state's ability to overcome the political condition in which it is floundering and its ability to achieve minimum internal detente. Thus, the forms of the crisis alter only to return and meet at one central point, namely security. Therefore, the ball is once more in the state's "court," i.e. in the politicians' "court."

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HAWI IN DIALOGUE ON 'ISSUE OF REVOLUTIONARY ALTERNATIVE'

Beirut AL-NIDA' in Arabic 3 Aug 84 p 6

[Text] In the latest issue of "AL-NAHJ Magazine, Books on Marxism-Leninism in the Arab World" (issue of 4 May 1984) published by the "Center for Socialist Research and Studies in the Arab World", there is an ample dialogue with Comrade George Hawi, secretary general of the Central Committee of the Lebanese Communist Party. The dialogue deals with the experience of the Lebanese communists in diagnosing the current central tasks, the necessary alliances and their defects, the class roots of sectariansim, the class structure of Lebanese society and its contradictions and crisis, experience in the forms of struggle, and the status of the working class and the rural toilers. The dialogue also touches on the condition of the Arab national liberaiton movement and the means for elevating it.

It was natural, in this respect, for an issue to be raised that has been given a great deal of attention and that has been extensively discussed, such as the issue of the revolutionary alternative. The following is Comrade Hawi's answer to the last question asked by AL-NAHJ about this matter: "Your party's literature has presented a specific visualization of the movement's difficulties for which this literature has coined the term 'The Crisis of the Revolutionary Alternative.' How would you define the characteristic traits of this 'crisis.' what are its factors, and what is the practical alternative that you deem fit for the solution of this crisis?" The following is the answer which we publish in two sections:

Part two of the question is connected with our previous proposals on the crisis of the Arab national liberation movement, and our being quoted to the effect that we had coined "the crisis of the revolutionary alternative." May the comrades on the editorial staff of AL-NAHJ allow me to be frank. The reason is that some discussions, whether held by some comrades or by some friends, place obstacles and set forth from a priori hypotheses that do not help Marxist-Leninist thought in the Arab domain perform its role in a joint manner to achieve common solutions for the common challenges facing us.

At the Fourth National Congress, we accurately specified our stance on the revolutionary alternative. This is because in Chapter Five of the Central

Committee's report, we talked about the Arab national liberation movement. The talk was entitled: "The Leadership Crisis and the Revolutionary Alternative Issue." At this point, our differentiation between these two issues was clear: the "crisis" of the class leadership of the Arab national liberation movement, and the "issue" of the revolutionary alternative. And we did not say the "crisis" of the revolutionary alternative, as occurs in the question that comes in continuation of an erroneous impression. Perhaps the "crisis of the revolutionary alternative" occurs in a speech made by this or that party leader, or in this or that article. However, the precise expression of what we want to say is the one that we have used in the official fundamental document that we submitted to the conference. This is "the leadership crisis in the Arab national liberation movement and the revolutionary alternative issue."

Furthermore, and in our research on the national liberation movement, we were, since the beginning, among those who had noticed that the promotion of the Arab national liberation movement was not travelling on a smooth highway, and that the development vistas will be non-capitalist and, consequently, socialist. The reason is that, at the world level, the working class can possibly replace the working class party at the domestic level. It is known that theories had been forwarded that had spoken of the likelihood and possibility that some countries in the national liberation movement will evolve into socialism, without the communist party, while depending on favorable world circumstances, the most important of which is the existence of a world triumphant working class. Egypt and other countries had been viewed in this way and linked to the regimes pursuing an anti-imperialist course, proceeding in the direction of progressive reforms--some radical, and, in the course of their evolution, turning in a direction other than that of capitalism. The situation through which these countries were passing was not viewed as a transitional one, but it was regarded as a situation leading to socialism.

In this long historical course, and at the Second Congress, we concentrated on this point and deduced that this situation cannot possibly arise necessarily, but that it is a possibility. We also concluded that this possibility ought to be employed in developing the internal revolutionary element, that is, in developing the working class in weight and role as a party, and in endowing this party with a leading role. Egypt was then at the peak of its prominence under the aegis of 'Abd-al-Nasir's leadership. We positively assessed the whole of its practices hostile to imperialism, feudalism, and the local big capitalism, as well as to Israel. Furthermore, we also positively evaluated the economic and social achievements that Egypt made. However, we then said that the fact that the petit bourgeoisie alone holds the reins of power will result in its foreign policy being diverted and in itself being distanced from the course of social progress at home. We called for incorporating the working class as a partner in the exercising of authority

and for broadening this partnership continuously so as to insure tipping the scales in favor of the progressive trend in the course of economic, social and democratic evolution, and in favor of foreign relations hostile to imperialism and Zionism and allied with the Soviet Union and the world communist movement. We also cautioned against the danger of autocracy, aspects of hostility to communism, remoteness from the masses, and viewing the masses as reserves who can be mobilized to back the regime at one phase, who can be demobilized at yet another phase, and who can be imprisoned at a third phase.

The Third Congress tackled this matter with greater clarity following the appearance of a defect in Egypt's progress as the result of this loophole in the structure of the Egyptian regime. The Congress warned that what had happened in Egypt had its roots in the Nasirite regime in the sense that this regime had turned into just being a case of quality, and was no longer a mere continuity of quantity. However, this regime's roots lay in the autocratic exercising of authority by the petit bourgeoisie and in its selective, shifting, and hesitant thinking which constitutes the best expression of its class position. The reason is that the stances of the petit bourgeoisie are not characterized by decisiveness against the big bourgeoisie, although it opposes the big bourgeoisie, and are not characterized by decisiveness in dealing with the working class, although its interests coincide with those of the working class. Therefore, the petit bourgeoisie fears decisiveness with the big bourgeoisie, lest the former's stances should become destabilized and it would thus meet with the working class and its interests, at a time when the petit bourgeoisie does not find in the working class a natural vista for the struggle that it wages to achieve its interests--except through scientific socialism.

At the Third Congress, we began talking about the Arab national liberation movement having become immobile, and about the fact that this movement has begun to encounter difficulties as the result of this structural defect, and we began speaking of the crisis within this movement.

The Fourth Congress followed the series of struggles on the Lebanese scene side by side with the Palestinian revolution and the Arab nationalist progressive alliance against the U.S.-Zionist-Arab reactionary onslaught. We stood at the conference to say that the Camp David deviation is, firstly, a continuation of the same structural disease of the Egyptian regime and it has culminated in leading this regime into the phase of the quality of treason. Secondly, Camp David is a class alliance of a new kind among the class interests of Arab reaction, what Israel and Zionism represent class wise in the area and imperialism represents as an economic-social-political system at the world level--an alliance geared to facing the dangers of the national liberation movement and the horizons of its evolution. The reason is that the bourgeoisie and reaction could no longer preclude the evolution of the national liberation movement through former means. Thirdly, we also said that al-Sadat is neither a person nor a unique regime, but there are

others similar to al-Sadat in Egypt and in the other Arab countries. We warned that the loopholes in the Arab regimes hostile to imperialism and to the capitulationist course will lead--in this form or that--to "Camp David." We were cautioning against these loopholes out of our dedication to the evolution of the positive aspects of the processions of these regimes.

In wondering about the nature of the crisis in the Arab national liberation movement, we said that this crisis is the crisis of the class leadership of the movement, and that the class origin of the leadership quarters prevailing in the movement is what shoulders responsibility for the defeats sustained by the movement and prevents the movement from emerging with a program capable of confronting the imperialist-Zionist-reactionary onslaught. So long as the movement remains under the aegis of this class origin, it will be unable to achieve the tasks of national liberation which, in our century, is connected in a close and integrated manner with social liberation. We also said that bourgeois thinking--including the petit bourgeois thinking which is one of the manifestations of the bourgeois thinking which dominates the movement's leadership--is responsible for deepening the crisis. It is also unable to induce the masses to rise against the imperialist onslaught and to lead the national liberation movement toward the fulfillment of its objectives. The forces more capable of resolving the national issue are those forces capable of realizing a social revolution. Whatever their desires are, no person or party will be able to achieve national liberation if this person or this party does not surmount this class restriction. Nobody doubts 'Abd-al-Nasir's intentions to liberate Palestine, to achieve Arab unity, to recover the national resources, or to achieve social advancement. But until his death, 'Abd-al-Nasir remained unable to transgress the framework of the petit national bourgeois thinking, and thus fell a prey for this thinking and was unable to fulfill his objectives. On the contrary, and under 'Abd-al-Nasir's leadership, this thinking sustained several failures in the domain of unity, in the Palestinian issue, in the liberation of national resources, in the domain of democracy, in the building of the vanguard organization, and so on, despite good desires and intentions and despite 'Abd al-Nasir's sincere work to achieve the goals that he had advocated. We have concentrated on the negative aspects of the class leadership of the national liberation movement without disregarding the positive aspects connected with the checking of imperialism, Zionism, and reaction.

Let us now move to the second basic issue, which we have called the issue of the revolutionary alternative. We said that if the crisis has continued, then responsibility for this continuation is not borne only by the classes and groups other than the working class, and that some responsibility stays with the parties of the working class for reaching the crisis and for its entrenchment. Furthermore, this responsibility now raises for the parties of the working class the question of looking for a way out of this crisis. Therefore, we raised the issue of the revolutionary alternative, and we tried to handle the matter objectively, proceeding from our experience in Lebanon, but without giving ourselves the right to hand down verdicts on

other experiences that are no less rich than our own experience. We raised the issue so as to handle, at least in a joint manner, the way to resolve this issue. We stopped at a fundamental matter, that is, the artificial separation--and we have frequently in the communist movement fallen victim to this artificial separation--of the two sides of the national and social struggle. We also fell victim to the deceptive expressions of the bourgeoisie that describe the social-economic struggle as a class struggle, that estrange the class struggle and the national struggle to empty the national cause of its class concept, that portray the program of the bourgeoisie for the solution of the national issue as if it is the program of all the people--including the working class, and not as the program that expresses its position and its class interests. Such a confusion has even occurred in your questions, when you sought clarifications on the "national" aspect and the "class" aspect of our struggle!

This issue constitutes the principal ingredient of all the problems that face us. Nor is the problem we now face one of form. This is because when we strip the national cause of its class nature, we entrust the bourgeoisie with the task of the national struggle, just keeping for ourselves the economic and social struggle. In our opinion, this is the main defect from which our shortcomings, or some of our mistakes, have stemmed. Sometimes, our mistakes took us far and precluded the complete fruition of the heroic sacrifices that our parties have offered in the course of the struggle. This is because we were and still are the first of those who had raised the slogan of national liberation, as well as the forces that are most staunchly advocating the correct solution of the Palestinian issue, and that are the most capable of materializing the militant unity of our peoples. Despite the martyrdom of hundreds of communists in the course of the national struggles, we have been unable to bring about the fruition of these communists' struggles in the national cause, and we have left it for the bourgeois factions to claim to represent the cause and to lead it into labyrinths that have resulted in further setbacks, including the successive defeats in connection with the Palestinian issue, the domestic disarray in ranks in lieu of unity, and subservience to imperialism, instead of the liberation of resources. However, when it comes to democracy, you can talk as you please. Naturally, we are not unaware that there are real factors that have prevented the working class parties from performing their role. It is also impossible to sidestep these factors that have stemmed from the nature of the one-sided economic evolution characterized by backwardness, subservience to imperialism, and class obliteration and, consequently, by the hindering of the growth of the working class and of its consciousness. This is in addition to the social structure that is characterized by the proliferation of abstract and dark ideas. Furthermore, the bourgeoisie formed its political parties before the working class had formed its own parties, in addition to the dual persecution of the working class by imperialism and the local bourgeoisie.

It is imperative that we take into account the difficult objective circumstances when we assess the role to the heroic struggles of the

communists--parties and pioneers. It is pride enough for them that, in our countries, they have strengthened the spirit of hostility to imperialism and the spirit of national liberation. They have also tightened the relationship between our liberation movement and the world liberation and progressive movement headed by the Soviet Union. They have advocated the ideas of scientific socialism and, to achieve these values, they have made great sacrifices. No historian or realistic person will be able to disavow this pioneering role to the communist parties in our countries, notwithstanding this or that aspect of their mistakes or private setbacks. However, it is incumbent on our parties not to content themselves just with holding the realistic circumstances responsible for these mistakes and shortcomings. It is natural for the others to act toward the working class and its party from their class position. However, it is imperative for our parties to know how to limit the harm resulting from the mistakes or stances of the others toward us. Our mistakes were to blame for part of the isolation that has befallen us and for the setbacks that have beset our peoples' movement. The reason is that we have left this movement at the disposal of forces that are indecisive and hesitant,--and some of these forces are hostile to progress. At this point, we repeated the things that we had raised at the Second Congress and the Third Congress on the basic role of the working class that begins with the revolutionary Marxist-Leninist program of the working class party. The role of the working class is not primarily limited by the party's size. However, this role depends, before anything else, on the party's program and on its revolutionary practices harmonious with this program.

The second truth that we have reached is that the party should be conscious of the main location at which the class struggle manifests itself in every phase of the historical phases of struggle, that is, where the principal contradiction manifests itself. The party would then concentrate its program and its struggle around this contradiction. There are numerous important issues. However, there is among these issues a central one. The party commits a mistake if it does not discover this central issue, and this mistake might lead to sacrificing many of its comrades. From the premise of this visualization, we propose to our comrades of the communist parties in the Arab countries that we study together our conditions to specify the main issue facing us. We subscribe to the opinion that, in the phase of the clash between the national interests of our peoples and those of foreign hegemony, then the basic class contradiction is illustrated in the national cause. Furthermore, the party of the working class is a class party, that is, it really becomes the real expression of the interests of the working class inasmuch as it wages--with all its efforts--the struggle designed to achieve the tasks of national liberation. Furthermore, the struggle for resolving the national issue becomes the main form of the class struggle. It becomes imperative for the party of the working class to view the national issue in its capacity as the basic issue of the working class. Consequently, it is imperative for the party to hammer out an integrated and consistent program to resolve the national issue in light of Marxism-Leninism, and not just to take scattered political stances that might be correct or wrong. It also

becomes imperative for the party of the working class to be most persevering, harmonious and pioneering in the struggle for national rights and to create conviction--through its persevering struggle--among the broadest popular masses that it is the force most loyal to the causes of national liberation, and most capable of leading the struggle for the resolution of these issues. Regrettably, some national parties are mainly responsible for the national treason committed in the Palestinian issue in 1948 and for the successive treasons that followed, including Camp David and dealings with the Camp David regime. Meanwhile, these parties, including the ruling party in Iraq, accuse the communists of betraying the national issue, as if this ruling party is the champion of the national issue. The error we have committed resides in the fact that we have not, as a minimum, exposed these forces and their stances on this national issue.

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JULY CUSTOMS DUTIES REMAIN UNCHANGED

Beirut AL-NAHAR in Arabic 3 Aug 84 p 7

[Text] The customs duties received for the treasury last July amounted to 23,665,527 Lebanese pounds--excluding the Sidon harbor revenues--thus preserving the median average for the period between February and June, although work was resumed in the Beirut harbor and airport 25 days ago.

It is noted that the Beirut harbor revenues--amounting to 8,216,808 pounds--were achieved at the expense of the revenues that were being realized by Juniyah harbor during the incidents.

It is also noted that the airport revenues--amounting to 2,045,427 Lebanese pounds--were at the level of the amounts that were received during the past 5 months for the goods that were stored in the airport's depots, and that the TMA Company's limited activity justifies the limited duties receipts.

Regardless of the facts involved in these figures, the activities of the illegal harbors still deprive the Lebanese Treasury of certain revenues recorded in the months that followed the decision to close these harbors in March 1983. Then, the customs revenues received through the Beirut harbor rose to well over 100 million pounds monthly, while the revenues received through Beirut airport rose to 30 million pounds.

The revenues received through al-Masna' dropped to about 1.8 million pounds because of the measures that were taken by the Syrian authorities that ban the entry of goods in Lebanon by way of al-Masna', for fear that these goods will be smuggled back into Syria. These goods were directed to the al-'Abduyyah crossing point in the north, which explains the improvement in the duties received through the northern province, which rose to a little over 7 million Lebanese pounds. The duties received through the Juniyah harbor reverted to what they were during last January and February, totalling about 4.5 million pounds. The breakdown of the July revenues is as follows:

The harbor-- 8,215,808.22 Lebanese pounds  
the airport--2,045,427,29 Lebanese pounds

Juniyah--4,514,876.21 Lebanese pounds

Tripoli--7,064,214.68 Lebanese pounds

al-Masna'--1,824,200.60 Lebanese pounds

Total--23,665,527 Lebanese pounds.

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LEBANON

PARTY LEADER INTERVIEWED ON PARTY STANDS

Paris AL-MUSTAQBAL in Arabic No 407, 8 Dec 84 pp 36-37

[Interview with 'Isam al-Mahayiri, president of the Syrian Social Nationalist Party by Ghassan Bayram: "Al-Mahayiri Tells AL-MUSTAQBAL, 'The Identity of the National Resistance Is Determined by Those Who Lose Their Lives in Resistance Activities';" in Beirut; date of interview not specified]

[Text] "National Resistance in south Lebanon inspires us all with integrity."

"We support the talks at al-Naqurah provided they lead to no more than a military truce prescribed by the conditions of the stage."

"It is the method of turning to foreigners and to Israel to build up strength that caused the flare up in Lebanon."

"Closing the chapter on the predicament would begin by establishing connections with Syria and correcting the domestic imbalance."

When I got in touch with Mr 'Isam al-Mahayiri, president of the Syrian Social Nationalist Party to request an appointment for an interview with AL-MUSTAQBAL, all the active political and partisan forces on the scene in Lebanon who were involved in incidents and developments had started making preparations for a new stage of political and national action to confront numerous local and regional matters whose deadlines were approaching as fast as those incidents that would place Lebanon and the Middle East area at a momentous crossroads were occurring. These incidents will determine the directions of the conflict in the region for years to come; they will determine whether there will be peace or war.

AL-MUSTAQBAL's interview with the president of the Syrian Social Nationalist Party was a necessity prescribed by the requirements of this stage which Lebanon is going through. Accordingly, it was also required by the distinguished role that the party has returned to play.

Although the contents of the interview may make many details and explanations unnecessary, inasmuch as the questions that were asked were easy and the interview even easier, the substance of the answers came closest to being expressed

in a plain, inimitable style that is unequivocal, candid and specific. Mr al-Mahayiri himself has been known for pursuing quiet diplomacy in discussing and talking about positions, even confrontational ones.

We had to begin the interview with Mr 'Isam al-Mahayiri, president of the Syrian Social Nationalist Party by asking the following question:

[Question] Some people say that if it were not for the armed clash that took place in al-Kurah in north Lebanon between you and Prime Minister Sulayman Franjiyah's people, it would have been correct to say that the party has been mostly very quiet since the Israeli invasion. Those clashes between you and Mr Franjiyah's people were followed by security disturbances in Beirut between your armed militias and some [other] militias. And before that you had formed the Democratic National Front with the Socialist Progressive Party, the Lebanese Communist Party and al-Ba'th Party Organization.

[Answer] Actually, to say that the party's role was somewhat inadequate after the Israeli invasion and that that inadequacy continued till recent incidents, such as the battle at al-Kurah and others, which brought the party back to the forefront of events, is to overlook many facts. There is no doubt that the Israeli invasion and the events that followed it did create a general setback in the national situation. However, that setback was shortlived and was accompanied at the same time by increased action to oppose the Israeli aggression. For example, national resistance activity was launched by partisan national forces in Beirut itself: the Allenby and Bustros operations, for example. Soon this resistance was extended to Mount Lebanon. It is certain that Israel's partial withdrawal from Mount Lebanon would not have materialized if resistance operations against the Israeli army had not been escalated. These operations were carried out by partisan as well as popular forces.

Specifically, the party played an active and a salient role in establishing the Salvation Front, and it also took part in the battles of Mount Lebanon and in the incidents in Tripoli. Thus, to say that the party's conditions were inadequate would not be truthful to a large extent. It is true that none of these events caused the party to get into newspaper headlines, but there are many reasons for that. Lebanon's national resistance has tried to maintain its general popular character, and all national forces have tried to keep it in that context without using its operations as material for party propaganda. The battle of Mount Lebanon was also led by the Socialist Progressive Party and Mr Walid Junblatt. Although our party did play a prominent role in those incidents, the actual and practical leaders of this battle prevailed and captured the interest of the press for themselves. But in the battle of Tripoli the party played a prominent role in preventing the battle from taking place, and the party was thus able to preserve the national existence in general. What the press became preoccupied with then was what the communists were subjected to in Tripoli or what happened as a result of the conflict that broke out between Palestinian forces. The press was also preoccupied with the emergence of the unification movement. Thus, the party's active and distinguished role in this battle was largely overlooked.

[Question] Do you mean to say that it is the fault of the press?

[Answer] This does not excuse the party from the fact that those who managed

its information failed to shed light on numerous aspects of its struggle. However, that failure may be attributed to general political reasons and conditions.

[Question] We take your statement to mean that the party does play a part in the national resistance against the Israeli occupation in the south, in the western al-Biqa' and in Rashayya. How would you define that role, and how far can the National Resistance go as a liberation movement?

[Answer] I am certain that preserving the popular character of Lebanon's national resistance is due to two factors:

The first factor is the product of the maturity that our people and our nation have acquired in the course of their conflict. They got the benefit of the choices that were made by the Resistance in Palestine, and they built on those resistance means, methods and procedures.

The second factor may be attributed to the fact that among those forces which make up this resistance, a sense which is responsible for preserving the Resistance and rallying people around it prevailed over narrow partisan considerations and attempts to score victories for parties or groups.

[Question] To what extent are these forces that make up the resistance coordinating their efforts? Or is the matter restricted to each team or coalition doing its part by itself?

[Answer] One of the phenomena reinforcing confidence in the standard of maturity and awareness that members of the resistance have achieved is that many of the operations reveal that numerous party figures get involved in these operations, one after the other. This means that the heroes of this resistance get together and plan an operation. Then it is discovered from the identities of those who die in action and those who are captured that the operation was a joint operation carried out by a group of young people who belong to different parties. This means that there is some coordination taking place among people who know each other. These people coordinate their activities and carry out an operation, but this does not mean that joint operations are centrally coordinated.

[Question] The national forces that make up this resistance are divided into two divisions: one is religious, and the other is partisan. Each one of them has a different ideology with implications that are national and local or pan-Arab. In other words, are the objectives of this resistance movement restricted to the liberation of Lebanese territory, or do they go beyond that to play that role in the rest of the occupied Arab land and in Palestine?

[Answer] There is no doubt that there are numerous ideologies in this resistance movement. But there is also no doubt that the struggle against the enemy makes these ideologies converge and unite over the principle that this enemy is an evil enemy with whom one may not make a truce. That enemy must rather be eliminated. There is no doubt that the enemy's practices are reinforcing that principle even further. Thus the people who subscribe to those ideologies will find themselves called upon to resume the battle against an enemy who proves

through his aggression and his practices that there can be no coexistence with him inside Lebanon or outside the country. The crucial war between us makes it incumbent upon the resistance not to stop its activities against that enemy until the land is purged from all his influences.

[Question] Can we take this to mean that you reject in principle the talks that are being held in al-Naqurah?

[Answer] We've declared that talks with the enemy may not lead to anything else but a truce which will not get in the way of our nation's responsibility to continue the struggle for total liberation. When the talks are carried out in a military framework, the indication may be that these talks are being held to decide on a truce and on withdrawal. What matters, however, is the outcome of these talks, not their context, military or otherwise. There are red lines which a Lebanese negotiator may not cross. These are the limits which prescribe that the ability of our people to continue the battle be preserved regardless of the need for a military truce that may be required by the conditions of the continuous stages of our struggle.

[Question] To what extent is your position similar to your allies' positions? What are these red lines that you spoke about?

[Answer] Whether we reject or accept the ongoing talks, we are careful not to let our struggle turn into a conflict over the principle of negotiations. We do not want to be divided into a group that accepts the principle and another that rejects it. Those boundaries which must not be crossed would be lost in the heat of such a division.

Those who reject the principle of negotiations have an important role to play in correcting the course and the method of the negotiations. The course and method we favor is one which would not allow the enemy to make any political or security gains. It is a course that would not offer the enemy any reward for his aggression and invasion. We do not favor a lenient approach to the affairs of Lebanese sovereignty, either with regard to the deployment of the Lebanese army in all areas of Lebanon, or with regard to dealing with Israel's functionaries, who are extensions of the Israeli army even if their identity were Lebanese. Liberating the land from occupation and from all its appendages is the minimum that would be acceptable in the context of the ongoing negotiations between Lebanon and the enemy's country, provided that Lebanon maintain its commitment to the Lebanese problem with all that is entailed by that commitment regarding the crucial confrontation we are conducting against Zionist usurpation.

[Question] What we are calling for requires capabilities and conditions which would require the enemy to accept what we want. Is this available on the Lebanese and Arab scenes?

[Answer] When we say that there is a state of truce in the conflict, such a truce is attributable to the fact that the causes for continuing the fighting may not be there in a certain situation. This is either due to preparations and resources, or it is due to international and regional circumstances. But this does not mean that our people have stopped the various forms of their military, cultural and propaganda resistance. A truce may not impede the resistance of our people; the state of war exists and goes on.

Lebanon in this context is no different from any other country. No one is making Lebanon do more than it can, but this does not mean that some people would allow themselves to force Lebanon to abandon its responsibilities in the crucial battle that is threatening to bring about the downfall and the destruction of the entire area.

[Question] When you announced the establishment of the Democratic National Front with the Socialist Progressive Party, the Communist Party and al-Ba'th Party Organization, much was said about the role that lay waiting for that front. Some people said that it would correct the course of national political action which has been taken over by a religious wave, and others said that the front will have an Arab role to play. What do you say?

[Answer] If what is meant by a role is a direct role that would be played outside the Lebanese context, then I do not believe that such a thought has even occurred to anyone in the front. But it is certain that this front will play a part in its struggle in Lebanon and in its effort to establish a progressive, liberal and secular system in which the affairs of state would be separate from the affairs of religion. The front will play a role in developing the area and achieving the proper balance between the components of the state and its requirements and the components of religion and its lofty objectives. This is because the work of the front and its success in its struggle will leave its marks on all the affairs of the area.

[Question] Finally, I would like to ask about those who are talking about the Lebanese crisis winding down. Are these people talking about facts or illusions?

[Answer] Actually, to say that this case is about to be closed is something that is linked with understanding two basic facts:

The case of Lebanon was opened because of a double failure. The first one was a failure to understand the fact that the security, prosperity and unity of Lebanon were linked with its Arab character, particularly with its relationship to the Arab Republic of Syria. This is due to the fact that the two countries' residential areas, economies and societies are interrelated. Consequently, they share the same security [concerns] and appraisals.

When a movement overlooking that fact of life came into being and began doing what it could do to make the notion of sovereignty antithetical to this relationship, a strategic imbalance occurred. Eventually, that resulted in a departure toward a policy of relying on the strength of foreign countries: American, French and finally Israeli. This policy went so far as to put Israel and Damascus on the same footing, and it went as far as forming an alliance with Israel against Damascus.

The second failure resulted from the fact that the tendency to break away from the deep strategic relationship between Syria and Lebanon was reflected in the country in a concern with making those who subscribe to that tendency control principal matters in Lebanon. This concern created a class and a sectarian hegemony over the capabilities of government at the expense of justice, equality and the principles of a sound, democratic system.

What has happened now is that those who did go too far in the direction of

breaking away from the deep strategic relationship between Syria and Lebanon have now returned to that relationship. As a result of the disasters that their policies have brought on Lebanon and their inability to establish their control, even with Israeli support and with the support of fleets and forces in the Atlantic [Ocean], they have accepted demands for security and political ties between Damascus and Lebanon. This will be effected either by foregoing the May 17 Agreement or by trying to coordinate efforts with Damascus to play an active role in bringing about a common agreement between the parties to the conflict.

Although the first failure is now in the process of being corrected, the gravity of that correction effort is linked with the effort to deal with the second failure, which has to do with putting an end to the domination of one group and one sect and achieving political, economic and social reform that would provide justice and equality and establish the foundations for a sound democratic government.

Despite such a lengthy account of the facts of Lebanon's case we cannot say at all that we are either about to close that file or that we are still where we are. The matter has to do with the earnestness with which the internal failure is being dealt with. It is that alone which can bring us the good news that the case is about to be closed. A tendency to stimulate the Syrian role in this crisis will not cover up a superficial renunciation of the continued course of dominance and, accordingly, the inclination to seek outside help.

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AL-SHUWAYFAT WORKERS STRIKE FOR SECURITY

Paris AL-MUSTAQBAL in Arabic No 407, 8 Dec 84 pp 59-60

[Article: "Against Whom Is the Strike at al-Shuwayfat Factories Being Declared?"]

[Text] A few days before the breakdown of security the Coalition of al-Shuwayfat Industrial Workers held a press conference at which the tragic situation of factories in the area was presented. At that time the meeting ended with an announcement that a strike would be called in 2 weeks if demands were not met and if efforts were not made to salvage the situation and enable the factories to resume operations.

Actually, the coalition's basic demand at the time was a demand for security. The area has turned into a battlefield, and crossing it has become hazardous, not to mention working and producing in it. The result of each round of violence was usually a fire at one or more of the factories. The area that used to teem with more than 100 factories and 30,000 workers has now almost turned into a wasteland with no more than a handful of factories operating at only a fraction of their capacity.

At that time the call for a strike struck a strange note because the strike was against the security which was lost and because security was not subject to anyone's wishes. But the strike which did not materialize at the time was tantamount to a cry to everyone on behalf of everyone.

But what is the situation now, almost 9 months after security has become somewhat stabilized?

The al-Shuwayfat Coalition had asked for support and financial assistance more than once. It had asked that basic services be provided, and it had written more than memorandum, held more than one meeting and met with more than one official. But 9 months later the coalition found itself standing in the same place, having accomplished nothing.

Attorney Ahmad Kabarah, the president of the coalition said, "The prevailing security situation is not conducive to work. Those factories that dared to resume production are now being threatened again with a shutdown.

"The area is not secure yet. It is still sometimes being hit by gunfire and snipers; other times it is rocked by artillery.

"Basic services such as water, electricity, communications and roads have not been made available.

"Furthermore, the coalition thinks that the state has not made any decisions, not even self-evident ones, to help industry."

The National Organization for Employment Security is still not conducting any business. It is not paying the compensations that are due to factories, and it is not accepting any new insurance policies because the members of its board of directors have not yet been appointed.

The terms, means and tools for easy term loans for organizations are still floundering.

Trade talks with Arab countries, which used to be Lebanon's traditional markets, are still in the theoretical stage. Syria has approved a certain plan, but Lebanon has not decided on its position, so Syria adopted an industrial plan that did not include Lebanon's demands.

Iraq has agreed to strengthen its trade with Lebanon either by deferring payments or by using oil to pay for its imports. But Lebanon has not yet made a decision on the matter. Lebanon has not yet decided on the destiny of the Export Credit Insurance Organization whose destiny is linked with the destiny of the National Council for Foreign Economic Relations.

Although there have been some positive signs with regard to industry in general and the factories in al-Shuwayfat in particular, these are almost confined to two measures.

First, all illegal ports have been shut down. This spares industry from illegal competition.

Second, a law has been passed allowing all debts owed to the insurance fund till the end of 1984 to be paid in installments.

Thus, the situation in the area of al-Shuwayfat remains unchanged despite the fact that 9 months have elapsed. Only partial security has been restored, and the means of assistance and support have not been made available to factories. Therefore, the coalition finds itself at a standstill.

If the area of al-Shuwayfat represents about 20 percent of industry, and if other areas are only slightly better, it becomes evident that conditions in the industrial sector are unchanged.

Will the al-Shuwayfat Coalition suggest that another strike might be called? Against whom will such a strike be called? Will the strike be called against security or against the state which is not even complying with self-evident demands?

8592  
CSO: 4404/131

LEBANON

BRIEFS

LAHD ASSASSINATION ATTEMPT--People arriving last week in Beirut, the capital, coming from the border strip in occupied south Lebanon revealed that an attempt to assassinate Antoine Lahd, commander of the so-called army of South Lebanon, was made recently in the town of Marj 'Uyun which Lahd uses as his military headquarters. Those people affirm that ever since that assassination attempt Lahd has recruited 50 members from his militias to look after his safety. These militias are permanently stationed around his house which is near his headquarters in the barracks at Marj 'Uyun. Those militias continuously patrol the area between Lahd's house and the barracks as well as surrounding areas, and they are constantly search the sides of the road on which he travels. It is worth noting that this assassination attempt was made after Lebanon's National Resistance Front announced that it was escalating its armed operations against Israeli troops and their clients on Lebanon's occupied territory. [Text] [Paris AL-MUSTAQBAL in Arabic No 407, 8 Dec 84 p 16] 8592

INFLATION UPS SOCIAL SECURITY--Estimated revenues for the National Fund rose over revenues [that were recorded] in the years that preceded the flare up of incidents. These estimated revenues rose from 50.5 million pounds, 40 million pounds, 61 million pounds and 74.50 million pounds in 1972, 1973, 1973 [sic] and 1975, respectively, to 164 million in 1982, 190 million in 1983 and 171 million in 1984. Actually, this increase is not the result of an increase in the number of registered organizations--that number has actually declined 50 percent. The increase is also not due to an increase in the number of insured individuals. The increase is the result of high inflation rates which Lebanon has had since the incidents began, specifically since the early eighties. Inflation resulted in an increase in wages, making the minimum wage rise from about 310 pounds in 1974 to what it is now: 1,350 pounds. As wages rise and lower salaries fall in organizations because no new employees are being hired, average income and, accordingly, revenues rose. That is, premiums paid by organizations rose. [Text] [Paris AL-MUSTAQBAL in Arabic No 407, 8 Dec 84 p 54] 8592

CSO: 4404/131

DIRECTOR GENERAL OF ELECTRIC COMPANY DISCUSSES RATE CHANGES

London AL-SHARQ AL-AWSAT in Arabic 13 Nov 84 p 8

/Article by Khalid Muhammad Batarafi: "The New Electric Rates are aimed at Limiting Waste; Savings in Consumption Will Save the Government 110 Million Riyals a Year"/

/Text/ At the beginning of the coming month, application of the new electric rates will begin in Saudi Arabia. These entail certain changes, which have had the goal of controlling excessive electric consumption and reducing its rates, which are very high in comparison with average consumption worldwide.

The decree, issued in a declaration by the Saudi Council of Ministers, is still the talk of the hour among the citizens of the Kingdom of Saudi Arabia and many questions are still being asked about the details of the application of the decree, the type of people whom these increases will effect, and the optimum ways of reducing electricity consumption without reducing the level of prosperity in the Saudi home. AL-SHARQ AL-AWSAT met with a senior official in the electricity sector, Dr Talal Bakr, director general of the United Electricity Company for the Western Province (the biggest area in the kingdom and its greatest energy consumer), and produced this report:

When the government decree raising the electric rates for household consumption was issued a few weeks ago, it was obvious that the decree was aimed at a specific class of users, since the decree stipulated that the first 1,000 kilowatts of consumption would cost the same as before, 7 halalahs, while the price of the consumption of the second 1,000 kilowatts would rise to 10 halalahs and of the third 1,000 to 15 halalahs. The decree also stipulated that the rates of electric consumption for factories and farms would remain as they were, 5 halalahs, and that there would be no increases, continuing government subsidization of these productive enterprises.

Dr Talal Bakr confirmed this view and described it, breaking down the consumers into three classes:

First is the class which consumes about 1,000 kilowatts; it includes 66 percent of total consumers and the volume of its consumption is just 20 percent of the country's total electric use.

Second is the class whose consumption exceeds 1,000 kilowatts; it includes 23 percent of the total number of users, and the volume of its consumption comes to 25 percent of total consumption.

As for the third class, although it does not include more than 11 percent of total users, its consumption comes to 54 percent of total electricity consumption. Of course, the monthly consumption of each one of these users exceeds 1,000 kilowatts and constitutes a real burden on everyone.

We can observe, from these figures, that the second and third classes, those which through their consumption exceed 1,000 kilowatts per user, receive the lion's share of the country's total consumption, 80 percent, at a time when they account for no more than just 34 percent of the total number of users in the country.

#### The Reactions

We asked Dr Talal what he expected the reaction to this decree among the major consumers would be and whether consumption would decline in his view and the view of the people responsible for the adoption of this decree, as a result of the rise in rates.

/Answer/ One cannot exactly know what the results will be, but let me state, at the beginning, that the goal was not to realize profits for the electricity companies; it is well known that these companies lose money, and the government compensates them with loans and payment of the difference in costs per kilowatt of electricity, since the value and true cost of the electricity range from 20 to 50 halalahs, while consumers pay only 7 halalahs, and at the most 15 halalahs, of this cost.

Therefore the goal in this decree is to prompt what I have called the big consumers to reduce their consumption. This reduction, you can be totally sure, will not be at the expense of the level of prosperity, and no one will be compelled to do without some electrical appliances or reduce their use. All there is to the situation is that we hope that these appliances will be used only when we really need them, that air conditioners will not be left working while we are travelling, that we will not leave the house lit night and day, whether we are present or not, that we will not use electrical appliances in rooms where we are not present, and that we will not leave doors or windows open while the air conditioners are operating.

This all is a type of organization and control of excessive use and guidance of energy which is wasted although we are in urgent need of this and it costs the government billions of riyals a year.

### The Magnitude of Savings

/Question/ While we are talking about government subsidies, could we seek the aid of figures to provide evidence of the different aspects of these subsidies and the volume of energy sources?

/Answer/ First of all, let us record that there are 2.39 million users in the kingdom, according to the statistics for 1982-83, and it is expected that their number by the end of this year will come to 1.5 million, 44 percent of whom will be in the Western Province, 28 percent in the Central Province, 17 percent in the Eastern Province and 9 percent in the Southern Province.

The country's peak load (maximum electricity consumption) came to 2,400 megawatts in 1984; it is expected that the peak load in 1990 will come to 5,260 megawatts.

If we can reduce the volume of consumption by just 10 percent of the high level of the next 6 years which it is expected will be consumed if it progresses at its current great rates, we will save 680 million riyals, that is, around 110 million riyals a year.

These savings, which the government pays as subsidies for the difference in rates, can be used to build new systems in the villages and new areas where electricity services have not reached, and may also be used to develop and improve the services offered and the various electric facilities.

The government's subsidies and its loans to electric companies come to more than 30 billion riyals a year. The government guarantees long-standing shareholders in the electric companies, before their consolidation and development, annual profits equal to 15 percent of the value of their shares, which it pays out of its treasury, since the electric companies, as I previously mentioned to you, do not make a profit but rather realize great losses, which the government compensates them for, and the consumers should cooperate with the government's efforts and acts of self-sacrifice by guiding and regulating their electricity consumption at least!

### A Leap Forward in Construction

/Question/ The volume of consumption has been increasing at a very accelerated rate in past years, and the Western Electricity (Company) has not been able to keep abreast of this rapid development. Does the decree have a connection with that?

/Answer/ The development in the volume of consumption has been normal, in view of the leap in real estate which occurred in the late seventies and the beginning of the eighties. The Real Estate Development Bank, which gives long-term loans citizens pay off in small instalments to the government over a period of 20 years for building and for land the government provides to people with limited incomes, and the economic revival in this period, have

all helped formulate a resurgence in construction which no one had expected. The electric companies, within the limits of their capacities, with open support from the government, have tried to keep up with this development, provide electric service and build new systems in all areas where citizens are building.

However, in view of the recent economic circumstances, we have been compelled, in the past 2 years, to go relatively slowly in keeping up with this development. In general, the upsurge in real estate has died out today, and the pressure of applications on us has greatly reduced. You can sense this yourself. The long lines have ended and our ability to process applications with greater speed and in shorter time has improved.

The decree to raise the prices set will help make us able to provide electric services in the form I described to you in my previous answer, but it has no direct role in that. The problem, as far as we go, is to build new electric systems and provide new hookups to areas where service is available along with the systems, cables, booster stations, supply stations and meters these connections need.

If you want evidence to be provided in figures, in reference to the acceleration in electric service consumption, it is enough for me to mention to you that the volume of consumption came to 1,000 megawatts in 1979-80 and to 2,560 megawatts in 1983-84, that is, generating capacity increased two and a half times over in just 3 years. Of course, that required the construction of new generating plants and the construction of systems, stations and other facilities.

#### Ways To Save Energy

/Question/ The question which is being raised in every home today is, how can energy be saved and guided? Could you help us answer this question?

/Answer/ Of course! I am happy to do so. If we take my home, for example, I started by cleaning the filter in each air conditioner of dust, because when filters are clogged up air conditioners must exert greater effort and consequently must consume more electricity. Then I went over all the doors and windows and discovered that some of them were not tightly closed because there were holes which helped the cold air seep out, and I tightened them up. Thirdly, I lowered the lights when operating the air conditioners, broke up the intensity of the natural light with curtains and eliminated some of it, because this light heats up the room and consequently the air conditioners have to exert greater effort to maintain the desired temperature.

Of course I was careful not to open doors when operating air conditioners and not to leave the air conditioners, the lights and the electric appliances in general when there was no need for them. When I leave a room, for example, I turn off the appliances there and when I leave the house I make sure that none of the electric appliances are working.

I discovered that the artificial ceilings in some rooms were not solid and caused cold air to seep out, so I insulated them. I started to concern myself with the issue of insulation in the home, and I will also be concerned with that when I think of building a new home, with God's permission. I will also concern myself with buying high-performance electric appliances that can save energy at the same time.

/Question/ How will you know this? Isn't it easier for coordination to take place between the Electricity (Authority) and the (Ministry of) Commerce to set out specifications and standards for electric appliances which come into the country and keep out those which are wasteful in the consumption of energy?

/Answer/ The answer to this is affirmative. Yes, we do need to enlighten the consumer by issuing periodic specialized books classifying and evaluating appliances so that we can help the consumer buy what is best and provides the best savings. The research centers and universities can carry out this task.

We conversely must cooperate with the Ministry of Commerce and Finance to keep poor appliances out by setting out standards and specifications for the appliances which are allowed to come in.

/Question/ What about enlightenment? Don't you believe that it is necessary that the electric companies play their part in advising citizens and guiding them in the best means for saving energy?

/Answer/ Of course, of course. That is what we will be working soon to carry out, with God's permission, through the public relations offices in the electric companies, in cooperation and coordination with officials in the Ministry of Industry, to make a success of the campaigns of enlightening the consumer.

11887  
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JOINT COMMITTEE CONSIDERS REVIVING TRADE WITH TAIWAN

London AL-SHARQ AL-AWSAT in Arabic 20 Nov 84 p 4

/Article by Mahir 'Abbas: "The Saudi-Chinese Committee Will Begin Meeting Tomorrow To Discuss the Encouragement of Trade and Establishment of Joint Projects"/

/Text/ Prince Majid ibn 'Abd-al-'Aziz, the governor of the Province of Mecca, greeted the minister of economy of Nationalist China, Li Pi Shu, in Jiddah yesterday morning and various aspects of cooperation between the two countries were discussed in the course of the conversation.

This morning the activities of the eighth session of the joint Saudi-Chinese committee under the chairmanship of the Saudi minister of finance and national economy, Muhammad Aba al-Khayl, and Mr Li Pi Shu, the Chinese minister of economic affairs, will begin in Riyadh, in order to evaluate the accomplishments which have been made in the past 10 years.

In addition the role of private banks in encouraging trade and commercial activities and facilitating contacts among businessmen in the two countries will be reviewed and discussed and the establishment of a joint project to produce ammonia with a productive capacity of 300,000 tons a year and the encouragement of the establishment of commercial exhibits between the two countries will be discussed.

The discussion will address itself to the establishment of a farm for seeds, joint development of the Arabic language computer program, the raising of fish in fresh water, sand stabilization, the production of protein, cooperation in the areas of roads and telecommunications, the consolidation of medical cooperation and cooperation in electricity fields.

It is worth pointing out that the areas of cooperation between the two countries began at the beginning of the seventies, but, in their organized form which exists today, began with the convening of the first meeting of the joint Saudi-Chinese committee for economic and technical cooperation in Taipeh in 1976. This cooperation covers a number of areas, such as commerce, industry, agriculture, electricity, science, technology, medical treatment, financial cooperation, shipping, meteorology, transport, telephone communications, postal service and training services in more than one sector. Teams

of Chinese technical experts have been brought in to help with technology transfer and technical expertise, the performance of startup work and the pursuit of experiments and research in numerous fields in Saudi Arabia.

#### The Style of Cooperation

In the field of communications, China is participating in a plan to develop railways by offering experts and technicians and constructing a number of land routes. In the sector of agriculture, the National Republic of China is contributing a large number of experts in agriculture and fish farms to train Saudi technicians and farmers in modern agricultural methods and ways of benefitting from agricultural equipment.

There is obvious cooperation in the realm of commerce, embodied in Saudi Arabia's export of oil to China, and at the same time Saudi Arabia is importing various types of goods, textiles, machines, plastic products, wood and shoes.

In electricity, cooperation is taking place in accordance with the agreement signed by the Saudi General Electric Organization and the Taiwan Electric Organization; a group of Chinese experts in participation with some specialized Chinese companies are working within the plan to expand electric power generation and distribution to the various areas of the kingdom.

#### Chinese Companies in Saudi Arabia

In the industrial area, a large number of Chinese companies are engaged in activity in the Kingdom of Saudi Arabia, such as the al-Jubayl Fertilizer Company and the National Cement Products Company, and China is supplying Saudi Arabia with technical expertise and training in various fields under the auspices of the Saudi-Chinese committee.

#### The Workforce

There are more than 1,100 doctors and nurses working in the kingdom; the Chinese mission to the electric company contains 75 engineers, and there are 7,000 Chinese in building and construction areas in addition to 10,000 Chinese in various other areas.

Participating in the discussions for the Saudi delegation are Dr Salih al-'Adl, chairman of the National Center for Science and Technology, Dr Nasir al-Sallum, deputy minister of communications, Usamah Faqih, deputy minister of finance and national economy, Dr Khalid al-Khalaf, director general of the Saudi Arabian Standards and Specifications Authority, Fu'ad Abu Mansur, the deputy minister of telegraph and postal service, Mr Muhammad Idris, the assistant deputy minister of finance and national economy, Dr Nasir al-salih, director general of the Saudi Fish Company, Ahmad al-Hakimi, the assistant deputy minister for planning, Mr Khalil al-Furayj, director

general of operation and maintenance in the Saudi General Electricity Organization, Mr Ma'mun Kurdi, assistant deputy minister of foreign affairs, Mr 'Abdallah al-Dabbagh, secretary of the Chamber of Commerce and Industry, Mr Salih al-Tu'aymi, secretary general of the Chamber of Commerce and Industry in Riyadh, and representatives of the Ministries of Agriculture, Water, Industry, Electricity and Health and the Saudi Basic Industries Company (Sabic).

11887  
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SAUDI ARABIA

DRIVE FOR SELF SUFFICIENCY IN WHEAT PRAISED

London AL-SHARQ AL-AWSAT in Arabic 5 Nov 84 p 4

/Article by Mahir 'Abbas: "Saudi Arabia Will Receive an International Certificate of Appreciation for Realizing Self Sufficiency in Wheat Production"/

/Text/ The international Food and Agriculture Organization, in its headquarters in Rome, will be organizing a special celebration next Friday to present a certificate of appreciation to the Kingdom of Saudi Arabia for the successful steps it has taken in the area of agricultural development, especially in the production of wheat, which is considered to be the most important international strategic crop, attaining self-sufficiency in wheat in a record period in the life of its agricultural development plan, over the past 8 years. The prize is being given in commendation of this great achievement in the agricultural field.

The enlarged symposium on development in the kingdom, to which the director general of the Food and Agriculture Organization has been invited, will be held on this occasion, and Dr 'Abd-al-Rahman ibn 'Abd-al-'Aziz Al al-Shaykh, the minister of agriculture of Saudi Arabia, will give a comprehensive lecture in which he will deal with the Saudi agricultural experiment. The symposium will discuss the Saudi private sector's view of agricultural development and the extent of the support the Kingdom of Saudi Arabia offers to businessmen and farmers on behalf of the agricultural resurgence. A film will be shown depicting the features of the evolution of Saudi agricultural development.

A number of Arab and foreign ministers of agriculture are to attend the symposium and celebration, including Eng 'Abd-al-Hafiz Salim Rajab, the minister of agriculture and fish in the Sultanate of Oman, Mr Habib Ahmad Qasim, the minister of trade and agriculture in Bahrain, Mr Asaad Ben Osman, the Tunisian minister of agriculture, and Mr G M Braaks, the Dutch minister of agriculture and forests. It will also be attended by representatives of the Arab and international bodies concerned with agricultural development, members of the Arab and Islamic diplomatic corps in Italy and a number of Saudi businessmen working in the private agricultural sector and ones who are interested in agricultural development in the kingdom.

## Features of the Achievements

AL-SHARQ AL-AWSAT is presenting data which will give the outlines of the Saudi achievements in agricultural development. The figures show that the cultivated area in the Kingdom of Saudi Arabia, up to the middle of this year, totalled 2.3 million hectares, while in 1975 it did not exceed 150,000 hectares.

The data show that agricultural development has not embraced one sector to the exclusion of another. Over the previous years, the Saudi development plan has proceeded in parallel, organized lines covering the various sectors.

### Wheat Production

The Saudi experiment in wheat production has exceeded all expectations and has been highly successful. The Kingdom of Saudi Arabia's wheat production reached 1.3 million tons last year; this sector has realized a rate of development of 43,333 percent in 8 years, since Saudi production did not exceed 3,000 tons at the end of 1975. The Kingdom of Saudi Arabia has reached a stage which has gone beyond self-sufficiency in the production of eggs, since it has extended to the export stage, while total Saudi egg production 8 years ago did not cover 10 percent of local market needs.

Milk and dairy products have also experienced a great upsurge in the development plan. Eight years ago, production did not do more than cover 5 percent of the needs of the Saudi market, and the kingdom now stands on the threshold of self-sufficiency in that sector.

### Potato Exports

Saudi Arabia's experiment in potato farming has also registered great success. In this important sector, the vegetable sector, production figures reached advanced stages in order to meet the requirements of the market, and some surplus is now being exported to neighboring countries.

In the area of dates, production reached 500,000 tons, 16,000 tons of which were donated to the World Food Program. In 1975 date production did not exceed 200,000 tons.

### Providing Water

The Saudi agricultural experiment follows a difficult balance on account of two basic rules, first the encroachment of the desert and second the provision of water for this encroachment. The rate of water supply in the kingdom comes to half a billion gallons a day, that is, the kingdom's annual production of water comes to close to 185 billion gallons, while production indices in 1975 for desalinated water were just 10 million gallons a day, that is, an annual rate of 3.65 billion gallons of water. Here we can observe that the development plan in this sector realized a rate of production increase that came to 500 percent.

This is not the whole situation with respect to water; the most recent statistics that have been issued by the Saudi Ministry of Agriculture state that in respect to dams, the number rose to 180 last year, whereas in 1975 they totalled only 16.

#### The Government's Role

The material aid and encouragement which the Saudi government has devoted to the agricultural sector in the free distribution of arable land with long-term loans without interest for 45 or 50 percent of the value of the agricultural equipment have also been behind the success of the experiment of the Kingdom of Saudi Arabia.

In addition to that, the government has taken charge of buying wheat and dates from peasants while providing full means for guidance and enlightenment for farmers and distributing seeds free of charge.

The agricultural development plan in the Kingdom of Saudi Arabia has included the practical approach of reaching the farms spread about over the various areas of the kingdom by graded roads. Therefore there has been an experiment to build special roads to serve the farmers and at present great irrigation and drainage projects, exploiting of sewage water after it has been processed, are being carried out.

#### Agricultural Investment

The government's support for agricultural development has had a great effect in the transfer of much private capital to farming, to invest money in large projects with massive productive yield, such as the integrated dairy projects.

In the last 3 years, the agricultural experiment has witnessed the establishment of corporations by citizens, and these companies' capital totals 300 to 400 million riyals. By way of experiment, and as an example, six Saudi companies have entered into this experiment, including the Nadak agricultural development company, in which the government has 20 percent capital participation, the Ha'il agricultural development company, Hadco, the al-Qasim agricultural development company, the Saudi Agricultural Development Company, Inma', and the al-Rajhi company for agricultural activities. It is worth pointing out here that the experiment with corporations, the features of the success of whose goals have started to become clearly evident, has caused businessmen to orient themselves toward the establishment of new companies, and the next few days will bring farmers and businessmen in Saudi Arabia the establishment of a number of corporations.

Through this review, we can see that the Saudi experiment is a unique step in agricultural development for the countries of the region, one which has exceeded all the expectations and notions of agricultural experts in the world.

11887  
CSO: 4404/81

SUCCESSION TO AL-ASAD'S PRESIDENCY IS STILL QUESTIONABLE

London AL-DUSTUR in Arabic No 351, 3 Dec 84 pp 18-19

[Article: "Rif'at's Return in French Briefcase"]

[Text] All the visits made by French President Francois Mitterrand in the past 4 months have been tantamount to political storms, not because of the results produced by the French president's talks with the heads of state of the countries he has visited but because of the events and surprises which interspersed and accompanied these visits.

Mitterrand's secret visit to Morocco in August on the same day on which the referendum on the Moroccan-Libyan union was held aroused a political argument and angered Algerian officials, who interpreted the visit as a French blessing for the Libyan-Moroccan union plan.

When the French president tried to tip the scales and to atone for his fault and visited Algeria on the 19th of last October to prevent deterioration in Algerian-French relations and to alleviate the consequences of his secret visit to Morocco, argument flared up anew in France on the usefulness of Foreign Minister Claude Cheysson's participation in the celebrations marking the anniversary of the Algerian revolution.

Hardly 2 weeks had passed on the clamor created by his visit to Algeria when argument flared up again during his visit to Britain at the beginning of last month over the incident of the explosives planted by elements of French security to make sure of the "alertness" of the British police on whose ability to keep up with events some had cast doubt in the wake of the explosion at the Grand Hotel in Brighton which almost blew up all members of the British cabinet.

In discussing the French president's visits and their surprises and prior to the announcement on Mitterrand's visit to the Greek island of Crete and his meeting with Colonel al-Qadhdhafi, we wondered in AL-DUSTUR (edition No 347) about "what surprises will Francois Mitterrand's forthcoming visit to Damascus bring us, considering that all of the French president's recent visits have abounded with these political storms which they generate?"

As we had predicted, the surprises started only hours before the French president's arrival in Damascus.

Before Francois Mitterrand's plane landed at Damascus International Airport, a private plane was carrying Rif'at al-Asad, the Syrian president's brother, who was returning home after an absence, or banishment, of more than 6 months in Europe. Rif'at al-Asad chose to return with a time gap of no more than several hours separating his return from Mitterrand's visit for several reasons, perhaps the most important being to insure his safety because Syrian authorities could not take any security steps against him in the climate of the first official visit paid by a French president to Syria since Syria's independence.

Rif'at's return was not the only surprise. Rather, his return followed other events and surprises which overwhelmed the official nature of the visit and which have aroused a raging argument that has not ended yet.

In contrast to the Syrian Embassy in Paris, which issued the entry visas to the French and foreign press correspondents who accompanied Mitterrand on his official visit to Damascus, the security authorities of Damascus International Airport took strict security measures and subjected the journalists to a thorough inspection. The French journalists refused to submit to this inspection and registered an official protest against it, demanding, after intervention on the part of President Mitterrand's advisers, that the Syrian authorities apologize to them officially--a demand rejected by these authorities. But after hours of negotiation, they agreed to permit the journalists to enter after a light and quick inspection. But the adventure of the French and foreign press correspondents did not end here because the Syrian authorities subjected their dispatches to strict censorship and obstructed the transmission of a number of television reports via satellites because they discussed internal conditions in Syria. All this happened even though agreement had been reached during the preparatory sessions for the French president's visit not to subject to inspection the press corps accompanying President Mitterrand. But what happened has caused the Syrian security authorities to live in a constant state of tension.

In addition to Rif'at al-Asad's return and the tension at Damascus International Airport, there was another incident which passed unnoticed amidst the strict security measures. This incident pertains to the unrest experienced by the Syrian capital a day earlier when anti-government leaflets were distributed and when the security authorities made arrests among the opposition ranks.

As a result of all these incidents, the French president's visit to Syria was obscured and drowned in the internal situation. Instead of covering this visit, the French and foreign media focused more on the internal situation, especially on the consequences of Rif'at al-Asad's return and the possibilities of change or the results of the internal struggle for power. These are the issues that the Syrian security authorities have

been eager to black out completely, imposing strict censorship on the press reports dispatched by the correspondents of the French and foreign press and information media. It so happened that a telephone call or a television transmission was interrupted because the censorship agencies did not approve of the contents of the press dispatches. It is not surprising, therefore, that all these incidents and surprises are filling frontpage columns and that the Syrian-French summit has become a secondary topic despite all the preparations that preceded it and the media hype that prepared the climate for it, with French television interviewing the Syrian president, who lauded the "vanguard" role which France can play in the Middle East, whereas the French president had told the Syrian television that his talks with the Syrian president fall within "the framework of seeking detente and good dialogue and of continuing them in the long run."

The tourist visit was undoubtedly enjoyed by Mitterand, the man of letters and the writer, who visited the Palmyra oasis in the desert, the National Museum in Damascus and the great Umayyad Mosque.

Politically, the talks held by President Mitterand with President Hafiz al-Asad were not, according to the press conference the two presidents held at the entertainment hall of the Meridien Hotel, the "completely frank dialogue" about which the French president had talked before his visit to Damascus. This is proven by the fact that the French president took the occasion of the press conference to raise an issue which he admitted he had not brought up in his talks with the Syrian president, namely the issue of the booby-trapped car which exploded in (Barbov) Street in Paris in April 1982--an explosion which the French authorities accused Syria of perpetrating.

But what drew the journalists' attention in the press conference was the French president's eagerness to "absolve" the Syrian regime of all the terrorist acts which claimed the life of Louis Delamare, the French ambassador to Lebanon, on 4 September 1981 and the lives of the French troops in Beirut.

When dealing with this issue, the French president stressed that the (Barbov) incident comes within the framework of the inter-wars among various factions in the Middle East and that the Syrian regime had nothing to do with it.

It is expected that these remarks will arouse the wrath of certain French circles, especially since these circles have launched a campaign criticizing what they call the "mistake of the French officials who think that Syria is capable of putting its internal conditions and the Middle East conditions in order."

These statements are a direct reference to the address delivered by President Mitterand at the dinner banquet given in his honor by the Syrian president in which Mitterand said: "Nothing can be accomplished in the Near or Middle East if Syria is not a participant in it."

While waiting for the new French movement on the Middle East and watching France's vacillating position on the holding of an international conference to discuss the Middle East problems and even though the French and Syrian presidents have underlined the need to bolster the ties of cooperation between the two countries, the only criterion for assessing this visit continues to be what the French press agreed on unanimously when it said: French-Syrian differences in particular continue to exist but the position of French-Syrian relations is not "as bad" now as it was after [presumably meaning prior to] the visit.

Generally, even though the French president's visit has produced some results, it was an opportunity for the world press to familiarize itself with what is happening inside Syria. This press has confirmed unanimously that Hafiz al-Asad is in control of the internal conflicts and has succeeded in arranging for his brother to be installed as his successor.

But what is interesting is that Rif'at al-Asad did not choose offhandedly the right time for his return but wanted to give this return a political meaning. This is why the wagers have already begun on the possibility that France may support Rif'at al-Asad's candidacy to succeed his brother and that Rif'at al-Asad has thus put himself in the position of France's man in Syria.

In this case, and also in case Rif'at succeeds his brother, numerous cards in the area will change and the Syrian alliance will become influential. Rather, Syria itself will be compelled, as a result of this alliance, to change its foreign policy, especially toward the neighboring Arab countries. This explains perhaps the positions of Rif'at al-Asad, who has been hinting that he will follow a new policy in case he succeeds his brother.

But is it true that Hafiz al-Asad wishes to install his brother as his successor?

The signs received from Damascus indicate that Hafiz al-Asad may have backed down, under numerous pressures, on installing his brother as his successor and that he is now engaged in the process of grooming his son Basil to succeed him. The observers have noticed that Basil al-Asad has been given an office in the Presidential Palace and that he has begun to engage in official and political activity. Therefore, numerous observers wonder nowadays over the forthcoming battle for succession in Damascus and wonder whether this battle will take place between Basil and his uncle under the umbrella of Hafiz al-Asad himself. In any case, the succession in Damascus has, as numerous circles say, turned into a battle within the same family. Who knows what will happen in the future, considering that the army has not said its final word yet.

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CSO: 4404/129

SYRIA

BRIEFS

ELECTIONS AFTER 'POPULAR REFERENDUM'--The process of electing representatives of the chapters and branches of al-Ba'th Party to the Eighth Regional Conference began last Saturday all over Syria. This congress is expected to convene at a later date this month after the party's Central Committee completes the reports that it will present to that congress. Following a discussion of these reports, the congress will elect the new members of the party's regional command. It is expected, according to the principles that are in effect, that after the 20 new members of this command are elected, a new government will be formed. This new government will succeed the present government of Mr 'Abd-al-Ra'uf al-Kasam, some of whose members were replaced last March. However, the new government will not be announced before the popular referendum to re-elect President al-Asad for another 7-year term is held and completed. The president will be nominated by the party's leaders at the end of his second term next March. So far, party elections have produced significant results. Many ministers, party leaders and present as well as past officials of unions were not elected. These are people like Mikha'il Taqul, 'Abd-al-Karim 'Addi, Adib Milhim, 'Abdallah al-Ahmad, Mishal Rishah, Mursil Abu 'Umar, 'Amash Jadi', 'Adnan Fuli, Jalal al-Idlibi, Ibrahim Za'rur and Ghassan Tayyarah, president of the Engineers' Association. Foremost among those who were elected to the regional congress are Faruq al-Shar', minister of foreign affairs; Yunis Muhammad, minister of transportation; Yasin Rajuh, minister of information; Dr Sabir Falhut, president of the Journalists' Association; Dr Qahtan al-Suyufi, director of customs; Muhammad Makhluf, director of tobacco; and Bishar al-Akhras, director of economy and foreign trade. In the meantime observers are expecting Syria to take broad political action to confront all the developments that are taking place on the Arab scene. Although a specific formula for this action has not yet been formulated, the principal tendency is still that of trying to strengthen and reinforce a position opposing American plans in the area by means of an alliance between Syria, Libya, Algeria and Iran. In this regard communications between the capitals of the four countries have continued. President al-Asad did receive Mr Ahmad Talib al-Ibrahimi, Algeria's minister of foreign affairs, who conveyed to the Syrian president a message from President Bendjedid. Syrian sources indicate that this is the actual Syrian response to all current developments in the area. [Text] [Paris AL-MUSTAQBAL in Arabic No 407, 8 Dec 84 p 13] 8592

CSO: 4404/131

REGULATIONS ON FOREIGN EXCHANGE, EXPORTS ANNOUNCED

Tehran KEYHAN in Persian 17 Dec 84 p 21

[Text] Economic service. The implementary bylaws concerning the regulations on the export and import of goods have been made available to KEYHAN by the Ministry of Commerce.

The complete text of the implementary bylaws concerning the procedures for purchasing currency obtained from exports, the import conditions vis-a-vis exports, and the government ratifications concerning the expansion of non-petroleum exports, as well as encouraging non-petroleum exporters was announced as follows:

Following the session dated 5 December 1984 with the representatives of that bank for the purpose of coordinating the preparation of the implementary bylaws of ratification No 72212, dated 29 November 1984, by the Cabinet of the government of the Islamic Republic of Iran concerning the procedures for the purchase of currency obtained from exports and the conditions on imports vis-a-vis exports, please note the following points and announce them to the banks with currency branches:

1. Registration of orders for importing goods is permitted up to six months after this announcement, provided other regulations are observed, on the basis of ratifications No 67614, dated 13 January 1983, and 243042, dated 2 September 1983, by those exporters who have signed currency contracts before the announcement of these bylaws or have received permits for the import of goods from the Ministry of Commerce or related procurement and distribution centers.

Import permits vis-a-vis exports which have been issued before the date of the announcement of these bylaws will be valid up to six months after the announcement, provided other regulations are observed. However, the deadlines determined must be extended

with the approval of the procurement and distribution centers, should they expire.

Note: The contents of currency contracts subject to this paragraph may apply to ratification No 72212, dated 29 November 1984, provided they are not contrary to other regulations and with the consent of the interested party.

2. From the date of the announcement of these bylaws, noting the content of ratification No 72212, dated 29 November 1984, regardless of the content of Paragraph 1, exports vis-a-vis imports will be possible by adhering to the related laws, export and import regulations and the following conditions.

2/1. If the exporter wants to engage in importing goods with the currency obtained from his exports, he must sell the obtained currency at the official rate according to the banking system and send the original deposit receipt along with a written application through the bank in which the currency deposit contract has been made to the Central Bank of the Islamic Republic of Iran. In this case, the exporter may take steps within one year from the date of the issuance of the deposit to register the order of the desired goods at a maximum value amounting to the deposited currency by obtaining the necessary permits.

Note: Should the exporter decide not to import goods, before registering an order, he may announce his decision and take steps to receive the prize for the difference in accordance with Paragraph 3.

2/2. Should the foreign party purchase the exported goods in return for goods, the Iranian exporter may take steps to carry out the transaction so that the foreign party opens unreturnable credit documents for him and in the payment conditions, the transportation of the imported goods at a value amounting to the exported goods within the legal period of the currency contract must be anticipated. In which case, the currency contract may be deposited by presenting an approved voucher or receipt by the related procurement and distribution center, the certificate of the registration of the banking order and the customs permit by calculating the value of the imported goods on the basis of the official rate of currency on the date of the registration of the order.

Note 1: Export permits will not be issued vis-a-vis imported goods without the transfer of currency which is imported before exports without adhering to the conditions of this Paragraph, also, the customs permit will not be accepted for the deposit of currency contract.

Note 2. If the foreign party has anticipated in the documented credit payment the payment of part or all of the funds for the exported goods in cash in addition to the transportation of the goods, or due to not undertaking the transportation of the goods, the bank would be required to pay the funds for exported goods, the exporter is permitted to act in accordance with Paragraph 2/1 or Part 3.

2/3. Industrial, mining, and agricultural production units affiliated with the ministries as well as those which are managed under the supervision of government appointed managers of the related ministries may transfer the currency obtained from their exports, with the opinion of the related minister or his representative, provided they export their products for the purpose of importing raw materials, production line machinery, spare parts, or equipment to other related production units or under the supervision of the management of their related ministry, provided they export their products in accordance with the regulations. However, they are not allowed to transfer their currency to the private or cooperative sectors.

2/4. Exporters of the private and cooperative sectors may transfer the currency obtained from their exports within the aforementioned sectors in order to import goods through those who are permitted to import goods.

2/5. All imported goods vis-a-vis exports will be subject to the distribution regulations of the Ministry of Commerce, except for items which the above-mentioned Ministry announces for free distribution, after coordination with the related Ministry, the opinion of the Central Bank of the Islamic Republic of Iran and the approval of the prime minister.

2/6. In regards to exports concerning which bartering treaties exist involving the members of the regional development treaty (R.C.D.) and members of the Asian exchange union, goods produced in those countries may be imported directly from the above-mentioned countries. However, import of the products of the above-mentioned countries directly from those countries vis-a-vis currency obtained from exports to other countries is meaningless.

2/7. In cases when the import of certain items depends on the agreement of the Ministry of Commerce, the authorized signature and seal of the procurement and distribution centers for the goods will be regarded as the agreement of the Ministry of Commerce.

Reminder: The voucher for all imported goods vis-a-vis exports must be approved by the procurement and distribution centers.

2/8. Exporters who import goods vis-a-vis their exports in accordance with one of the methods mentioned in Part 2 of these bylaws are not subject to the benefits established in Paragraph 3 and other cash prizes. app 3. The preferred currency purchasing rate obtained from exports and the payment of prize differences:

1/3. If the exporter does not wish to import goods vis-a-vis his exports, he is responsible for selling the obtained currency at the official rate to the banking system. In such case, the Central Bank will pay the difference between the official rate of currency purchase and the preferred rate, which will be determined and announced by a committee made up of representatives of the Ministry of Commerce, the Central Bank and the related ministry in accordance with the kind of goods. In cases when the related minister for the goods cannot be determined, the committee will be formed without the representative of the related ministry.

2/3. The committee mentioned in Paragraph 1/3 will hold sessions once every 15 days in the Central Bank, and if necessary, it will hold additional sessions announced prior.

Note 1. The decisions of the above-mentioned committee will be implemented with two supporting votes.

3/3. The determined preferred rates cannot be reduced for a period of one year. Should they be reduced after one year, they will include those contracts which are submitted after that date.

#### 4. General issues.

4/1. Imports vis-a-vis exports will be carried out as before on the basis of the particular ratifications of the offices of the governors general and also the ratifications concerning border-dwelling dealers and peddlers. Furthermore, the offices of the governors general subject to the above-mentioned ratifications may benefit from the facilities provided in ratification No 72212, dated 29>November>1984.

4/2. Exporters permitted to export goods in accordance with the regulations, including those in the private, cooperative, nationalized or government sectors, shall be subject to the facilities in the latter ratifications and these bylaws.

#### Expansion of Non-Petroleum Exports

In its session dated 28 November 1984, in order to expand the non-petroleum exports of the country, the Cabinet approved the following proposal by the Ministry of Commerce and the Central Bank of the Islamic Republic of Iran.

1. Exporters are required to sell the currency obtained from their exports on the basis of currency contracts and related regulations to the banking system at the official rate, in which case, the Central Bank will pay the difference between the official rate of the purchased currency and the preferred rate determined and announced by a committee made up of the representatives of the Ministry of Commerce, the Central Bank and the related ministry in accordance with the kind of goods. The credit in rials for the purchased currency will be provided from the sale of currency to the service division of the Central Bank.

Note:

If some of the goods or a particular group of them are not under the supervision of a particular ministry, the decision regarding the determination of the preferred rate will be made jointly by the Ministry of Commerce and the Central Bank.

2. If the exporter wants to engage in imports with the currency obtained from his exports, he must sell the currency obtained from exports at the official rate to the Central Bank. Then, within one year from the date of the issuance of the deposit receipt, in accordance with the general export and import regulations, he may take steps to register an order for the import of goods. The Central Bank will issue permits for the transfer of the related currency at a maximum amount of the currency deposited.

Note 1

Exporters who sell their goods vis-a-vis the purchase of goods may be permitted to import vis-a-vis the currency obtained from the exports, provided documented credit is opened for their exports and in the credit conditions, the payment in cash of the funds of the exported goods or the import of goods within a maximum legal period of the related currency contract have been anticipated.

In this case, the currency contract may be deposited with the green customer permit for the approved voucher and the registration certificate of the bank order. The value of the imported goods will be determined on the basis of the official rate for the purchase of currency on the date of the registration of the order.

Note 2

Export permits will not be issued vis-a-vis imports without currency transfer.

3. Imported goods vis-a-vis exports are completely subject to the distribution regulations of the Ministry of Commerce except for items that, case by case, after coordination between the Ministry of Commerce and the related ministry and the opinion of the Central Bank, with the approval of the prime minister, are exempt from distribution regulations.

4. All production, industrial, mining and agricultural units under the control of and affiliated with the related ministries which export these products may, in accordance with the regulations, transfer the currency obtained from the exports with the opinion of the related minister or his representative for the import of raw materials, production line machinery, spare parts, and equipment to other production units or companies under the control of the related ministry.

5. Exporters in the private and cooperative sectors may transfer their right to use the currency obtained from their export to other persons who are permitted to import.

#### Note

Ministries are not allowed to transfer currency obtained from exports to the private and cooperative sectors and will act in accordance with Article 4 of this ratification.

6. Government organizations and those organizations that are not producers of goods are not allowed to export goods.

7. This ratification does not void the particular ratifications of the offices of the governors general, but they may benefit from the facilities of this ratification.

8. All exporters, including private, cooperative, nationalized, or government sectors, which are permitted to export goods in accordance with the current regulations, will be subject to this ratification.

9. This ratification replaces ratification Nos 43042, dated 2 September 1984, and 67614, dated 13 January 1982.

10. The implementary bylaws of this ratification will be prepared and announced by the Ministry of Commerce in cooperation with the Central Bank of the Islamic Republic of Iran.

#### Encouraging Non-Petroleum Exports

The Cabinet approved the following in a session on 28 November 1984 based upon proposal No 20782, dated 31 July 1984, by the Ministry of Commerce in order to encourage the export of the country's non-petroleum products.

1. The transportation fees for exported fruits and fresh produce by passenger airlines will be determined on the basis of a 30 percent discount off the current prices.
2. The transportation fees for fruits and fresh produce exported by the chartered airlines will be cultivated on the basis of the fuel, loading, and unloading costs.
3. The difference in the received rates and current air transportation rates for fruits and fresh produce will be paid to the airlines of the Islamic Republic of Iran from funds to be determined by the government.

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CSO: 4640/199

PAKISTAN

DOUBTS VOICED ON U.S. ASSURANCES OF SECURITY ASSISTANCE

Karachi JANG in Urdu 5 Dec 84 p 3

[Article by Pir Ali Mohammad Rashdi: "What Are U.S. Senators' Assurances Worth?"]

[Text] Three front-page stories appeared in different newspapers on the same day: 1. Islamabad, from JANG correspondent Hanif Khalid: U.S. Senators John Glenn and Sam Nunn have said that United States will provide Pakistan with the latest technology in order to strengthen its economy and defense. With the exception of nuclear weapons, they said, Pakistan can get from the United States every weapon that it possesses. This is what these U.S. Senators told the JANG reporter when talking to him at the Islamabad airport. Senator Glenn said that although President Reagan had not given Pakistan any guarantee about nuclear security, the United States wants India and Pakistan to sign the Nuclear Nonproliferation Treaty (NPT), which has already been signed by 114 countries. As for providing Pakistan with sophisticated modern weapons, Senator Nunn said the United States would give Pakistan its latest F-16 planes. If the United States get improved war weapons in the future, Pakistan would probably get those too. As for the transfer of U.S. technology in the economic sphere, that is already underway and will continue, since a strong Pakistan will lead to peace in the region. He said President Ziaul Haq, Foreign Minister Sahbzada Yaqub and Foreign Secretary Niaz A. Naik are very good people and want to have peace with India. The senators added that they had studied Pakistan's defense needs carefully. In the end, Mr Dean Hinton called the Senators' visit to Pakistan useful and pleasant and expressed the hope that it would have very useful results.

2. From Washington, the U.S. capital comes the news that Defense Secretary Casper Weinberger has said that the U.S. Army should be used only as a last resort. Speaking at the National Press Club on Wednesday, he said: "The U.S. Army should be used only when our own security is in danger, and then the purpose should be complete victory." He said that to enter wars routinely would get the United States entangled in another Vietnam. Recent history, he said, shows that the United States cannot play the role of policeman the world over. "Unless our own security is in danger," he said, "We cannot pledge to defend a sovereign power without a regular invitation. We should give our allies considerable economic and military help and

aid them to have an army sufficient for self-defense, but we cannot make our troops and will subservient to theirs. Our political and military aims should be quite clear. We should send arms and armies only when victory is a certainty."

3. This news comes from London: The Georgetown University International Institute of Strategic Studies in the United States has found that India possesses 30 to 35 nuclear bombs and has the capacity to make more. But India is behind Israel in this matter, since Israel has 100 nuclear bombs. According to the report, both India and Israel claim that they can make nuclear weapons. Pakistan is making great efforts in this field and will be able to make nuclear weapons by 1990, but it claims that its nuclear program is aimed at peaceful purposes.

Now let us read these three news items together and analyze them; The two senators assure Pakistan that (a) the United States will try to help strengthen its defense and economy. It will be given arms, new technology and financial help, that the United States (b) thinks that a strong Pakistan is essential for peace in the region; and that (c) it wants both India and Pakistan to sign the NPT. The U.S. senators did not explain the following: (a) Will the United States, besides giving us arms and ammunition, send troops to help us if we are attacked? (b) What is more likely to deter the enemies of Pakistan from attacking it...fear that the United States would give Pakistan arms and money or the fear that the United States would enter the war, which could become a nuclear one and thus start World War III? (c) According to news report No. 3 above, if U.S. researchers say that India has 30 to 35 nuclear bombs and has the capacity to make more, what sort of friendship is it when the United States do not want Pakistan to make nuclear weapons and tries to incapacitate it permanently by making it sign a nuclear nonproliferation treaty, even though, according to its own statement, the U.S. president has given Pakistan no guarantee against nuclear attack?

Now let us read the statements of these senators in the context of the declaration of the U.S. defense secretary: "We cannot be the policeman for the whole world...we will fight only when our own security is in danger...we cannot take responsibility for defending other sovereign powers...we can only give considerable economic and military aid...we should help them to maintain an army strong enough for self-defense...," and then he says with finality, "the American Army can be sent only when doing so is essential for our own security."

11 these grand words melt down to the following: U.S. forces cannot be used in defense of an ally unless America's own security is in danger. That is, if Pakistan (God forbid) is attacked by an enemy, America will not come to help unless Pakistan can prove to the Americans that their own security is in danger. I do not know by what twist of logic we can convince Americans that (God forbid) an attack on a Pakistani city has endangered their country 10,000 miles away.

The essence of what we have been told by the United States is this: Take arms and money from us but defend yourself. The worst that can happen to you is death and destruction, which would be O.K. Do not acquire nuclear weapons even though India has 30 to 35 nuclear bombs and Israel has 100. Only Pakistan should live like a nonviolent saint. That is what the United States demands; Pakistan is making a mountain out of a molehill.

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CSO: 4656/47

PAKISTAN

PIR PAGARA DISCUSSES ELECTIONS, RELATIONS WITH REGIME

Lahore NAWA-I-WAQT in Urdu 9 Nov 84 p 6

[Interview with Muslim League leader Pir Pagara by Mohammad Ali; date and place not given]

[Text] [Question] Following Indira Gandhi's assassination, what affect will the turn of events have on political conditions in the subcontinent?

[Answer] We do not have politics in Pakistan, so that conditions in our country will not be affected by any political events. In Pakistan we have martial law, which cannot be affected by politics. However, there are political institutions in India and political parties are active, a political process is underway and the democratic transition of power is in effect. In India after Indira Gandhi, the new leadership has already been appointed.

[Question] Given the situation prevailing in our country, everyone is convinced of the possibility of political reconciliation. What is your point of view?

[Answer] Pakistan is a gift of God. This country came into existence after great sacrifices; it did not come into being all by itself. It was created as a result of an historical freedom movement. We must be united to preserve our freedom and give preference to the demands of national security.

[Question] Your arguments are based on facts. But in the educational institutions in Sind, slogans of "we do not want Pakistan" and "Sindhudesh" are being raised.

[Answer] The young people cannot be held responsible for such actions. They are not aware of the freedom movement nor do they know how Pakistan was established and the hard struggle and effort that was expended to achieve it. They have not read our history and we have not discharged our responsibility to enlighten them on this matter. Because of their ignorance of the freedom movement, young people have been raising extremist slogans for which they cannot be held totally responsible.

[Question] Who then is to blame?

[Answer] It is the duty of governments and educational institutions to prepare curricula that provide imaginative instruction to the new generation and make them aware of their origins so that they have complete faith in the ideology of Pakistan. But our curricula have failed to stir the intellectual capabilities of our new generation. This is why they are victims of perplexity and are going astray. The society as well as the government is responsible for their unprincipled behavior.

[Question] But haven't political parties also failed to meet their responsibilities?

[Answer] Political parties? But political parties have not been allowed to conduct their activities. Their activities were always restricted, and there is no political process in the country.

[Question] After the establishment of Pakistan, the Muslim League ruled the country?

[Answer] With the death of Quaid-e Azam, Pakistan was confronted with many problems. The Muslim League no longer existed after Khwaja Nazimuddin passed away. Our rulers treated the Muslim League just as they treated other political parties. Seeds of discord were sown within its ranks. They conspired against the Muslim League. It was prevented from having any connection with the people. The Muslim League leadership was destroyed. The rulers did all this because they knew that the Muslim League was the only political party that had the confidence of the people and was the party under whose leadership Pakistan was achieved. This is why adventurist elements were actively engaged against the Muslim League.

[Question] Newspapers fulfill their obligations even under the most trying circumstances. During the course of your discussions, you criticise the government, too, but these criticisms are not reported. Your complaints against newspapers deserve attention because there are more restrictions on newspapers than there are on political parties and APNS [All Pakistan Newspaper Society] has protested against them.

[Answer] Newspapers are bound to publish my statements because I am the only man in Pakistan who is not interested in power, does not need a government post and who does not bow down before any ruler. If today I were to start seeking government office, then just like other people my statements too would not be published because power and authority are the root of all dispute.

[Question] Some Muslim Leaguers are of the opinion that it is hard to tell when you are (acting in your capacity as) the head of the Muslim League and when you are (performing the duties of) Pir Pagara.

[Answer] I am a leader by birth. My grandfather and father fought against the British. They did not accept the titles of "sir" and "khan bahadur." It

is indeed a blessing that everybody accepts my leadership. I am the elected president of the Muslim League; no one nominated me. I am the first president of the Muslim League that has had to face a no-confidence motion. Today political activities are restricted. When political activities are restored, the Muslim League will also be restored. I was elected president by the Muslim League Council.

[Question] The Muslim League was the founding party of Pakistan, why didn't it establish institutions for instructing the youth?

[Answer] My only answer is that with the death of Khwaja Nazimuddin, the Muslim League ceased to exist for all practical purposes. The objective of the conspiracies of the rulers against the Muslim League was to usurp power. They controlled the government by undemocratic means, and the bureaucracy and the military remained in power.

[Question] The Muslim League is working under your leadership. What role is it playing in creating an awareness of history among the youth?

[Answer] I do not have the authority to enforce my orders by issuing martial law decrees. We have always asked those in power [the rulers] to provide schools, colleges and universities with adequate instruction about the freedom fighters so that new generations would be aware of their activities. As far as the Muslim League is concerned, it is a political party, and the activities of political parties are restricted. We are not allowed to hold meetings. How can we contact the people? As for the newspapers, I have advised them to write little but report the truth. The government has never restricted the publication of false news.

[Question] You have been meeting continually with President Gen Mohammad Ziaul Haq. When do you think restrictions on political parties will be lifted?

[Answer] I do attend parties from time to time, but the net result is zero. There is no logical arguments. Whenever I go there, I present my compliments and respects and inquire about his health. But there is nothing but order and discipline, and everybody is at attention.

[Question] Before the elections in March 1985 will political parties having identical views unite?

[Answer] Does the calendar for 1985 include the month of March?

[Question] The calendar for 1985 has not yet been published.

[Answer] No election calendar for 1985 can be published. Make a note of my words. But a calendar for 1987 can be published.

[Question] Is this your prediction or a political assessment?

[Answer] Politics is complete science by itself and political assessment can only be made by following this science.

[Question] What would be your first decree if you were to be made president of this country?

[Answer] Pursuing a comprehensive accountability.

[Question] Whose accountability?

[Answer] The fact that one thief gives protection to another is the underlying problem and this problem has not been resolved.

[Question] As a politician, will you account for your activities too?

[Answer] What have I done that I should be called to account for? I have never been a ruler nor have I ever had any authority. Our people has become accustomed to forget and have even forgotten those responsible for dividing the country. But our memory is not weak. We will account for actions committed each and every moment. We will call the rulers to account for their actions.

[Question] Accountability is a tradition adopted by the present government. It executed the former prime minister after he was convicted of murder.

[Answer] One murder. Bhutto was punished for committing one murder. A decision about his other crimes has yet to be made. The remaining crimes will also be punished in accordance with Islamic justice. It is quite possible that his children will have to suffer for his crimes.

[Question] Could such punishment be described as revenge?

[Answer] In my political dictionary, there is a word for justice but no word for revenge.

[Question] Is it necessary for you to have consultations with important Muslim Leaguers.

[Answer] Which important Muslim Leaguers?

[Question] For example, Mian Mumtaz Daultana, Sardar Shaukat, etc.

[Answer] Mumtaz Daultana will remain in the Muslim League even if it is one man's Muslim League.

[Question] Who is responsible for the Indus Highway incident?

[Answer] First of all, we will have to find out who opened fire, whether it was the police, the security force or the rangers or whether the constabulary was responsible. It is essential that the facts be established.

[Question] This incident has been given extraordinary importance.

[Answer] In these days when sons do not tolerate a fraudulent father and servants do not tolerate fraudulent masters, facts are certain to be revealed. Facts should not be concealed because rumors distort the facts.

[Question] It is being said that if Nawabzada Nasrullah Khan had been allowed to tour Sind, this might have helped create a sense of national unity and unanimity.

[Answer] Why should Nawabzada be coming to Sind? He didn't have to contest elections in Sind. He was sent to Multan, which happens to be his constituency, at the expense of the government and under police protection. The government has made a good decision in his favor. As he will be contesting in Multan, it is necessary for him to be present in Multan. He should be grateful to the government.

[Question] The MRD [Movement for the Restoration of Democracy] has decided to boycott the elections.

[Answer] What could they have achieved by contesting the elections? The MRD is finished. It was a political alliance that died a natural death. So much the better. S.M. Zafar did not join the MRD. If he had, his fate would have been lamentable. I do not wish to waste my time reading his columns; let him write a book. I will most certainly read it.

[Question] What is the reason for the appearance of criminals at such an incredibly rapid rate in Sind?

[Answer] I have just traveled 200 miles. I have seen good people working everywhere. Rascals and vagabonds must have been hiding in the woods. Traffic was moving on the highway and certainly there were some men in uniform, too.

[Question] Helpful hands should be using the plough and the pen. How did guns get into these hands?

[Answer] Hunting, horsemanship, swimming...this is all a tradition in Sind. Also handling guns and marksmanship. But there should be a limit for everything. At the same time, marksmanship for foul means is not part of the Sind tradition.

[Question] Will the coming elections be for a transition of power or a sharing of power?

[Answer] Pakistan was not made for political experiments. This is a country of Muslims and Muslims are the rulers. The duty of the soldiers is to protect the borders and ruling the country is the responsibility of the Muslim League. The army will have to surrender and the army and the bureaucracy will have to hand power over to Muslim League. But the basic question is, has the army and bureaucracy ever shared power with others?

[Question] Have you met with Lt Gen S. M. Abbasi?

[Answer] He comes from a good family. He has connections with my in-laws, too. He is said to be living near the airport. I intend to see him soon.

[Question] Thank you for a serious discussion of serious matters.

[Answer] With rulers and people who are not serious, I talk lightly because my listeners know what I am talking about and why I am talking in this way. You may consult newspaper files to see how much truth there is in my light talk.

9315

CSO: 4656/28

POLITICIANS, ARMY DESERVE EQUAL CONSIDERATION IN ELECTIONS

Karachi JASARAT in Urdu 25 Nov 84 p 3

[Editorial: "Proposal for Mutual Political Understanding"]

[Text] A federal minister and a member of the election committee, Mir Zafarullah Khan Jamali, has appealed to both the administration and the politicians to create flexibility in their attitudes and resolve all issues through mutual understanding. In an interview, Mr Zafarullah Khan Jamali has drawn the attention of the administration and the politicians to the fact that time is moving quickly and the sooner they begin their mutual talks the better. Mutual understanding between those in the political field and those who are running the country is the demand of the times. To achieve this, both parties should create flexibility in their attitudes. Mir Zafarullah Khan Jamali also said that true elections are those that are acceptable to the people. Therefore, whatever type of elections are held, they should have public acceptance.

Mr Zafarullah Jamali's views are based on reasonableness and patriotism, and the advice that he has given to the administration and the politicians for mutual understanding is commendable. Without this mutual understanding, state and national politics will become totally ineffectual, and the elections that will be held without mutual understanding or compromise with the politicians, or by ignoring the politicians and the existence of the political parties, will certainly not be able to establish political peace and stability. Such elections, therefore, will become the source of a new battlefield.

The politicians do perceive the importance of mutual understanding stressed by Mr Jamali, and their attitude has also demonstrated that flexibility that is being proposed by Mr Jamali. On the other hand, however, the administration has suddenly adopted a rigid attitude; otherwise, following the release of Asghar Khan and Jatoi, it had been hoped that the administration would make an effort to reach some accommodation through formal talks with the politicians. But one of the leading supporters of these talks, Mr Mahmood Haroon, has resigned. It appears that in the upper echelon, the group that is opposed to any mutual understanding or the adoption of a flexible attitude toward the politicians is more powerful. It believes that the real thing is the official chair, which is very strong. The truth,

however, is that there is nothing weaker in the world than the chair of authority. Marching forward under the conceit of power, therefore, is dangerous. Since, so far, no definite announcement has been made about the nature of the elections, there is still time, and some effort for mutual understanding should be made before this moment slips away. We are hopeful that if such an effort is made, the politicians would welcome it. They will adopt further flexibility in their positions, and in the interest of the people and the country, they will provide guarantees to the government that will erase those suspicions and dangers that block the path to elections on a party basis. The fact is that just as the politicians are a part of the nation, so too is the army a part of it. And just as it is essential to fully convince the politicians about the election plan and the situation following the elections before the transfer of power can be fully achieved, so the military sector should also be satisfied and confident that in the transfer of power no policy will be adopted that is against the basic interests of Pakistan. We are positive that the politicians can provide this sort of assurance to the army provided the administration seriously discusses with them the holding of elections on a political basis and the true transfer of power.

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CSO: 4656/44

PAKISTAN

ELECTIONS NEED UNDERSTANDING BETWEEN REGIME, POLITICIANS

Karachi JANG in Urdu 4 Dec 84 p 3

[Article by Irshad Ahmad Haqqani: "A Point To Ponder"]

[Text] There is a possibility that some sort of elections will take place, despite the doubts that are arising from the ambiguity of the government policies. Still, some political pundits are saying that no elections will take place. A widely heard foreign radio said in its latest broadcast that based on a report from its correspondent in Islamabad, the elections will be canceled at the last minute. A politician known for his moderate and balanced views (and about whom a politician, minister and admirer of the present regime said that he should be the prime minister) of the country and clearly in the good graces of the government, told this writer at a Press Club meeting under the "Tajzia," ['Analysis'] series that despite all the preparations, there was a 60 to 70 percent possibility of there being no elections at all. Let us also consider a third opinion; an English newspaper, discussing the latest situation, begins its article with an "if." It says: "If the elections take place...then..." It is odd that despite continuous assurances from the regime, nobody in the country seems to believe that the elections will take place. This is an unenviable situation and we do not hold the regime responsible for it. It is true, a minister talked about some activists entering the country in order to sabotage the elections, but his purpose, surely, was to warn the public against such elements and get public cooperation against antinational forces. All this should go to prove that the regime has every intention of holding elections. But why is there a sense of doubt in the air?

Coming elections were announced in India, too, and nobody doubted that they would take place. Why are our elections so doubtful? The elections are apparently taking place after 7-8 years, but since the 1977 elections were not accepted, we can say we are having elections for the first time in 14 years (the last elections took place in December 1970). Elections are taking place after a long time, but it is expected that large sections of the public will take no part in them. Those who are against the elections say that they will appeal to the public to boycott the elections but will not offer themselves for arrest or picket the polling booths. Even if this happens and voting takes place without any riots, the world will not get a good impression of our political maturity and insight. Why is there so much disagreement

about the method of election? Who is responsible for this? Even if the present writer does not express his personal opinion on the matter, he cannot help observing that differences of opinion about the election method must be removed if the new method is to be a success.

If this tension continues, it will lead to numerous problems in the future. It is deplorable that only 25 percent of the voters are likely to take part in the elections. Even if the number of votes could be increased by the participation of voters from Punjab, large portions of the public from other provinces keeping out of the elections will lead to the internal discussions. That is why some circles are advising the regime to hold dialogues with the politicians. Every patriotic Pakistani wants it, and ways and means should be found to achieve this end.

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INDIA PURSUES DANGEROUS ARMS RACE THREATENING SUBCONTINENT

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[Editorial: "Politics of Arms"]

[Text] Last week an agreement was signed in Dehli between India and the United States according to which the latter agrees to provide advanced arms technology to India. Prior to this agreement, India had signed many agreements with the Soviet Union under which the USSR is to provide India with the technology to manufacture the most advanced type of offensive weapons. In fact, work on such arms has already begun in India.

With regard to Indian politics, it has now become clear that the center and axis of its politics is the acquisition of arms and the technology to manufacture them. This was the lust that drove Indira away from the United States and brought her closer to the Soviet Union. Indira's thirst for arms and the manufacture of arms was based on two factors. Her first objective was to make India the superpower of this region, the second was to enable India to start an arms-producing industry and thus become a big arms merchant for the Third World.

And just as the United States earns huge profits from producing arms, so the Hindu banker, too, should be able to gain wealth by selling arms. India believes that it also enjoys the advantage of having lower worker salaries and benefits compared with those in the United States. Therefore, compared with the Western countries, it can manufacture and sell great quantities of arms at lower cost. The Soviet Union, in this respect, has expressed agreement to generously provide advanced arms technology to India. Perplexed by this, America now also appears to have agreed to provide India with modern weapons technology. The new agreement signed after Indira's death is a link in this very chain. Otherwise, up to now the U.S. Department of Defense was totally against providing India with high technology. Now, however, this opposition appears to be ending. Nevertheless, it will be impossible for the United States to attain the same level at which the Soviet Union is providing or can provide India with the technology of advanced weapons because U.S. arms manufacturers would never want the technology that they alone monopolize to become common in the Third World or for India to be made a partner in that technology. Despite all U.S. efforts, therefore, with regard to arms and their production India will need the Soviet Union more than it

will the United States. This is the very reason that Rajiv Gandhi, like Indira, believes in keeping the Soviet Union happy. It is possible that relations between India and the United States may improve somewhat during Rajiv's rule, but the United States will never be able to replace the Soviet Union in Indian politics, and along with the acquisition of advanced weapons, the desire that has stirred the hearts and minds of the Indian rulers for the production of advanced types of arms is a weakness of India in the hands of the Soviet Union. The Soviet Union is taking full advantage of this, and it will do so in the future as well. At this stage, the only point for the people of the subcontinent to ponder is whether it is a good omen for the future of the subcontinent that our politics should be centered around arms and that for the sake of these advanced weapons, Pakistan remain in the U.S. cradle and India in the Soviet cradle. The people of the subcontinent should also contemplate whether they want solutions to their political and economic problems or the waste of their means and resources for the acquisition of guns, tanks, planes and missiles, which only increase hunger and poverty. The remaining issue is India's belief that it can become an arms merchant, which is a vain thought. The technology of manufacturing arms is very sensitive and complicated, and it changes every day. The Indian economy cannot bear the burden of this industry. For India, adherent of a policy of nonviolence, to be an arms merchant or to search markets for arms is not as easy a task as it thinks. The appropriate thing, therefore, is for India, instead of obtaining arms from the Soviet Union and the United States, to acquire the technology for those industries that are required to meet the needs of the common people. This, however, will only be possible when the current leadership, which favors warfare and wishes to make India a "mini-imperialist," changes in India. As long as this does not happen, the politics of both India and Pakistan will center around arms, and the situations will continue to be bitter and tense. The final outcome of the arms race between the two countries will be nothing but destruction. Fortunately, in Pakistan, the people and the rulers have recognized this fact, and they are continuously seeking peace and mutual understanding with India. But Indira did not value this passion of Pakistan, and Rajiv is also not prepared to recognize its importance. This is the very reason why the politics of arms alone has become the true politics of the subcontinent. All other political and economic demands are being trampled. India, however, should not forget that the arms race can also lead both the countries to the preparation of atomic weapons. Perhaps it is already leading them in that direction. Therefore, such a race is totally useless; nothing can be gained from it, and it can lead to our mutual and complete destruction.

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